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**DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF PLACER
AND TEICHERT, INC., TEICHERT LAND CO. AND SUTTER BYPASS
PROPERTIES, INC., RELATIVE TO THE MINING AND RECLAMATION
PROJECT KNOWN AS THE
"TEICHERT AGGREGATE FACILITY"**

**DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF
PLACER AND TEICHERT, INC., TEICHERT LAND CO. AND SUTTER
BYPASS PROPERTIES, INC., RELATIVE TO THE MINING AND
RECLAMATION PROJECT KNOWN AS THE
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**DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF
PLACER AND TEICHERT, INC., TEICHERT LAND CO. AND SUTTER
BYPASS PROPERTIES, INC., RELATIVE TO THE MINING AND
RECLAMATION PROJECT KNOWN AS THE
"TEICHERT AGGREGATE FACILITY"**

This Development Agreement (hereafter "Agreement") is made and entered into this 6 day of February 2003, ~~2002~~, by and between the County of Placer, a political subdivision of the State of California, (hereinafter "County") and Teichert, Inc., a California Corporation, Teichert Land Co., a California Corporation, and Sutter Bypass Properties, Inc., also a California Corporation, (hereinafter collectively "Teichert"), pursuant to the authority of Sections 65864 et seq. of the Government Code of the State of California (the "Development Agreement Statute").

RECITALS

I. **Authorization.** To strengthen the public land use planning and development process, encourage private participation in the process, to reduce economic risk of development and to provide maximum utilization of resources, the Legislature adopted the Development Agreement Statute, which authorizes County to enter into an agreement with any person with a legal or equitable interest in real property regarding the development of such property. In addition, a development agreement allows County and such an applicant to voluntarily undertake obligations which are mutually beneficial but which otherwise could not be imposed upon the applicant as a condition of project approval, nor required by County, and make such obligations legally binding on the applicant. It is the intent of the parties that the obligations contained herein are undertaken voluntarily for the mutual benefit of the parties and are not imposed as conditions of approval of any project nor as exactions, and that this Agreement makes these obligations legally binding upon Teichert.

II. **Property Description.** Teichert Land Co. and Sutter Bypass Properties, Inc. own in fee or has an equitable interest in that certain real property (hereinafter "Property") described in **Exhibit "A"**, attached hereto and incorporated herein by this reference. The Property is located in the unincorporated area of Placer County, and Teichert desires to mine and process aggregate and reclamation on certain portions thereon as more fully described in the Project Approvals set forth in Recital IV of this Agreement. The Property, known as the Teichert Aggregate Facility site, comprises 3,455± acres and is generally located four miles north of the City of Lincoln in the unincorporated area of County. (Assessor Parcel Numbers 20-130-08, 16, 17, 18, and 22; 20-141-02, and 03; 20-150-12, 45, 64, 65, 66, 67, 70, 71, 72, 73, 74 and 75.) The Property is

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bounded on the north by Riosa Road, on the east by Gladding Road, on the south by Chamberlain Road, on the southwest by State Route 65, and on the west by Nader Road. The Property is bisected by Coon Creek. Approximately 785 acres of the Property, further depicted in **Exhibit "B"**, attached hereto and incorporated herein by this reference to this Agreement (hereinafter "Mining and Processing Area"), are the subject of a conditional use permit and reclamation plan.

III. Project Description. This Agreement relates to the mining and reclamation project known as Teichert Aggregate Facility (hereinafter "Project"). This aggregate mining, processing and reclamation operation entails a phased excavation of both sand and gravel and granitic resources from portions of the Property and the processing of the extracted material at a plant site located on the Property. Pursuant to the Project, mining and processing will occur within the Mining and Processing Area. Access to the plant will be at the western portion of the Property from State Route 65 at Nader Road. Based on the quantity of aggregate material within the Mining and Processing Area, the mining and reclamation project duration will be for a substantial length of time.

IV. Project History. The Project has been in the planning stages since 1994 when Teichert began to acquire the Property. In December 1994, Teichert submitted an application for the 100-year phased excavation of sand, gravel, and granite and the construction and operation of an aggregate processing facility on an approximately 1,878-acre portion of the Property. In response to environmental concerns raised by the public and County, Teichert purchased the remaining 1,577 acres of the Property in 1998. This purchase allowed Teichert to move the proposed processing plant location further away from existing residences, to provide direct access to Nader Road and State Route 65, to increase setbacks on the eastern and northern sides of the proposed Mining and Processing Area, and to provide for more open space preservation than the original proposal. A revised application reflecting these changes was filed with County on November 6, 1996. On January 31, 2002, after the Final Environmental Impact Report was completed, Teichert submitted a revised Project Description which is substantially similar to the Mitigated Design Alternative analyzed as part of the Final Environmental Impact Report. That Project Description is the subject of this Agreement.

V. Project Approvals. County has granted Teichert the following approvals (hereinafter "Project Approvals") which are incorporated and made part of this Agreement:

(a) On February 4, 2003, ~~2002~~, the Board of Supervisors, certified the Final Environmental Impact Report (hereafter "EIR") for the Project Plan, entitled Teichert Aggregate Facility, December 2001, State Clearinghouse Number 1996112029, as adequate and complete. The Board of Supervisors made specific findings, adopted a Statement of Overriding Considerations and approved a Mitigation Monitoring Plan for the Project Plan (hereafter "MMP"), all of which are incorporated herein by this reference to this Agreement. The Planning Commission had previously certified the EIR on November 12, 2002.

(b) On February 4, 2003, ~~2002~~, the Board of Supervisors approved Conditional Use Permit No. 2781 ("Conditional Use Permit" or "CUP-2781") and Variance No. 3806 ("VAA-3806") to allow structures in excess of 35 feet, to allow structures within 100 feet of the center line of Coon Creek, and design review for facilities, site improvements, lighting, and landscaping, for the Property. CUP-2781 and VAA-3806, including all the conditions of approval are incorporated herein by this reference to this Agreement (hereinafter "Conditions of Approval"). The Planning Commission had previously approved CUP-2781 and VAA-3806 on November 12, 2002.

(c) On February 4, 2003, ~~2002~~, the Board of Supervisors approved the Reclamation Plan for the Project. The Reclamation Plan is incorporated herein by this reference to this Agreement (hereinafter "Reclamation Plan"). The Planning Commission had previously approved the Reclamation Plan on November 12, 2002.

(d) On November 12, 2002, the Planning Commission made findings in accordance with Placer County Code section 17.58.240(A) recommending approval of the Teichert Aggregate Facility Development Agreement, and made recommendations to approve the Rezone Ordinance.

(e) On February 4 2003 ~~2002~~, the Board of Supervisors rezoned the Property to F-B-X-MR-20 acre min. bldg. site and F-B-X-SR-20 acre min. bldg. site by adoption of Ordinance No. 5221-B, which is incorporated herein by this reference to this Agreement (hereinafter "Rezone Ordinance").

TEICHERT DEVELOPMENT AGREEMENT

(g) On February 4, 2003, ~~2002~~, the Board of Supervisors approved this Agreement by adopting Ordinance No. 5222-B. Ordinance No. 5222-B is incorporated herein by this reference to this Agreement (hereinafter the "Adopting Ordinance").

VI. Conditional Use Permit and Variance. The Project is subject to the Conditional Use Permit No. 2781 and Variance No. 3806.

VII. Reclamation Plan. The Project is subject to the Reclamation Plan.

VIII. Mitigation Monitoring Plan. The Project is subject to the MMP.

IX. Rezone Ordinance. The Project is subject to the Rezone Ordinance.

X. General Plan Consistency. Mining processing and reclamation on portions of the Property pursuant to and consistent with the Project Approvals will carry out the legislative purposes set forth above and is consistent with the goals and policies of County's General Plan.

XI. Development Agreement Ordinance. Pursuant to the Development Agreement Statute, County has implemented the Development Agreement Statute by adopting Sections 17.58.210 through 17.58.260 of its County Code (hereafter "Development Agreement Ordinance"), which establishes procedures and requirements for consideration of development agreements. This Agreement has been processed, considered, and executed in accordance with the Development Agreement Ordinance.

XII. Project Benefits. County and Teichert desire that the mining and reclamation of the Project pursuant to this Agreement and the Project Approvals will result in significant benefits to County and Teichert by providing assurances to Teichert that it will have the ability to mine, process and reclaim a portion of the Property in accordance with this Agreement and providing assurances to County that the Property will be mined and reclaimed in accordance with County's General Plan and applicable County ordinances, and State and Federal statutes and regulations. Consistent with this desire, County has determined that the Project presents certain public benefits and opportunities. This Agreement will, among other things, (1) reduce uncertainties in planning and provide for the orderly development of the Project, (2) ensure that there is adequate local supply of high quality aggregate material in this region of the County, (3) enhance competition in the aggregate material market, (4) strengthen the County's economic base and provide long-term jobs, (5) restore degraded

TEICHERT DEVELOPMENT AGREEMENT

riparian habitat in the Coon Creek corridor, (6) provide funds for the restoration, enhancement, and establishment of passive recreation use of the Coon Creek corridor, (7) establish the Coon Creek Conservancy, (8) preserve in perpetuity agricultural lands, (9) enhance the economic well-being of the County through the generation of employment opportunities and sales tax, (10) provide for substantial road improvements, and (11) otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

Teichert has agreed to include the following items as components of the Project:

- (a) Dedication of easements to County restricting the land uses permitted on various property not to be mined to agricultural and/or open space/habitat uses.
- (b) Dedication of easements to County restricting the land uses permitted on reclaimed land to agricultural and/or open space/habitat uses.
- (c) Offer of dedication of reclaimed habitat and lakes.
- (d) Establishment and funding of the Coon Creek Conservancy.
- (e) Road improvement funding, including monetary contribution of \$1,475,000.00 for the planning and construction of the Route 65 Bypass, and/or for the improvement of roadways, \$1,000,000.00 for the improvement of County roadways and \$1,000,000.00 for the improvement of Wise Road, less applicable traffic fee credits.
- (f) Location of the point of sale for the Project within the unincorporated area of the County.
- (g) Contribution of funds to County for the purchase of noise monitoring equipment.
- (h) Dedication of sand and rock to County for failing County septic systems that are either public systems or low income housing systems.
- (i) Dedication of easements to County for testing septic system technologies.
- (j) Funding to County for road improvements and maintenance.

- (k) Funding of City of Lincoln road improvements and maintenance.
- (l) Funding of open space acquisition and management.
- (m) Funding of permit administration.
- (n) Funding of mosquito abatement and public health services.
- (o) Funding of fire protection services.
- (p) Funding of park maintenance and operations.

XIII. Development Agreement Goals. The principal reasons that have been given for entering into this Agreement are: 1) to contractually recognize and ensure implementation of the voluntary Project Net Gains and Dedications offered by Teichert as a part of its application; and 2) to contractually memorialize all terms and conditions of the Project.

This Agreement will ensure certainty in planning and provide for substantial economic, environmental, and other benefits to the people of Placer County and assist in obtaining the most effective utilization of important resources within the County. In consideration of these benefits to County and its citizens, Teichert shall receive the assurances that the Property can be mined and reclaimed pursuant to the Project Approvals. Teichert acknowledges that the execution of this Agreement by County is material consideration for the covenants and agreements contained herein.

NOW, THEREFORE, in further consideration of the above recitals and the mutual promises and covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1. GENERAL PROVISIONS.

Section 1.1. Incorporation of Recitals. Recitals I through XIII are hereby incorporated herein, including all documents referred to in said Recitals. In the event of inconsistency between the Recitals and the Sections of this Agreement, the provisions in the Sections shall prevail.

Section 1.2. Definitions. As used in this Agreement, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section.

TEICHERT DEVELOPMENT AGREEMENT

Section 1.2.1. "Adopting Ordinance" means Ordinance No. 5222-B of the County of Placer dated February 4, 2003, entitled TEICHERT AGGREGATE FACILITY DEVELOPMENT AGREEMENT which approves this DEVELOPMENT AGREEMENT as required by Section 65867.5 of the Government Code and Sections 17.58.210-17.58.260 of the County of Placer Code.

Section 1.2.2. "Agreement" refers to this Development Agreement between the County of Placer and Teichert, Inc., Teichert Land Co. and Sutter Bypass Properties, Inc.

Section 1.2.3. "Board" means the duly elected Board of Supervisors of Placer County.

Section 1.2.4. "Commencement of Mining" means when Teichert makes the first sale of Aggregate Material from the Project.

Section 1.2.5. "Commission" means the Placer County Planning Commission.

Section 1.2.6. "Conditions of Approval" means the conditions imposed in CUP-1781 and VAA-3806 for the Project.

Section 1.2.7. "County" means the County of Placer, a subdivision of the State of California.

Section 1.2.8. "Development Agreement Statute" means Sections 65864 et seq. of the Government Code of the State of California.

Section 1.2.9. "Development Agreement Ordinance" means Section 17.58.210-17.58.260 of the County of Placer Code.

Section 1.2.10. "Director" means the Director of Planning, County of Placer, or his/her designee.

Section 1.2.11. "Effective Date" means the date of approval of the Adopting Ordinance.

Section 1.2.12. "EIR" means the Final Environmental Impact Report certified for the Project by the Board of Supervisors.

Section 1.2.13. "General Plan" means the General Plan, including text and maps, of the County of Placer in effect as of the Effective Date.

Section 1.2.14. "Mining and Processing Area" means the 785 acres of area where mining and processing is permitted by the Project Approvals, as described in **Exhibit "B"**.

Section 1.2.15. "MMP" means the Mitigation Monitoring Plan adopted for the Project by the Panning Commission and/or Board of Supervisors.

Section 1.2.16. "Net Gains and Dedications" means the benefits voluntarily provided to County by Teichert that are, in whole or in part, in excess of that legally required for the Project by the Conditions of Approval or as mitigation, but which are made legally binding by this Agreement. The Net Gains and Dedications are enumerated in Section 3.3.

Section 1.2.17. "Project" means the project allowed by the Project Approvals for the Teichert Aggregate Facility, as set forth in Recital V to this Agreement. The Project provides for sand/gravel and granite mining, and processing of the extracted material at a plant site, reclamation of the Mining and Processing Area, as well as restoration and preservation of agricultural lands, wetlands and riparian habitat. A map of the Project is attached hereto as **Exhibit "C"**, and incorporated herein by this reference to this Agreement (hereinafter "Project Map") pursuant to County Code Section 17.58.220.

Section 1.2.18. "Project Approvals" means a) the certified EIR and findings of fact and Statement of Overriding Considerations, b) the MMPs, c) the Conditional Use Permit, d) the height and creek setback Variance, e) the Reclamation Plan, f) the Rezone Ordinance, g) this Agreement for the Property, as described in Recital V to this Agreement.

Section 1.2.19. "Property" means the real property described in **Exhibit "A"**.

Section 1.2.20. "Reclamation Plan" means the reclamation plan adopted for the Project.

Section 1.2.21. "Teichert" means Teichert, Inc., its assignee(s) or successor(s) in interest, Teichert Land Co, its assignee(s) or successor(s) in interest, and Sutter Bypass Properties, Inc., its assignee(s) or successor(s) in interest.

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Section 1.2.22. "Zoning Code" means the County Zoning Code of Placer County in effect as of the Effective Date.

Section 1.3. Exhibits. This Agreement refers to the following exhibits, which are attached hereto and hereby incorporated into this Agreement:

| <u>Exhibit Designation</u> | <u>Description</u> | <u>Referred to in Recital/ Section:</u> |
|----------------------------|---|--|
| A | Legal Description of Property | II, 1.2.19, 1.6 |
| B | Mining and Processing Area | II, 1.2.14 |
| C | Project Map | 1.2.17 |
| D | Easement and Dedication Map | 3.3.1.1.1, 3.3.1.1.2, 3.3.1.2, 3.3.1.3.1, 3.3.1.3.2, 3.3.1.3.3, 3.3.1.3.4, 3.3.1.4, 3.3.1.6 |
| E | Sample Conservation Easement For Coon Creek Corridor Open Space | 3.3.1.1.2 |
| F | Sample Conservation Easement For Agriculture or Grazing | 3.3.1.2, 3.3.1.3.3 |
| G | Sample Conservation Easement For Wetlands Habitat | 3.3.1.2 |
| H | Sample Conservation Easement For Habitat or Open Space | 3.3.1.3.2, 3.3.1.3.4 |
| I | Traffic Improvements Area Map | 3.3.3.1 |

Section 1.4. Citation. This Agreement shall be known as and may be cited as the "Teichert Aggregate Facility Development Agreement".

Section 1.5. Parties to Agreement. The parties to this Agreement are County and Teichert.

Section 1.6. Subject Property. The Property subject to this Agreement is described in Exhibit "A".

Section 1.7. Term of Agreement. This Agreement shall commence upon the Effective Date of this Agreement and shall be in force until Teichert completes all mining and reclamation of the Mining and Processing Area in accordance with the Conditions of Approval (the "Term").

In the event litigation is initiated by any party other than Teichert that challenges the Project or the project approvals, Teichert may request the commencement of the Term be tolled. The tolling shall commence upon receipt by the County of written notice from Teichert invoking this right to tolling. The tolling shall terminate upon the earliest date either that a final order is issued in said litigation that upholds the Project and the Project Approvals or that said litigation is dismissed with prejudice by all parties.

This Agreement shall terminate upon the expiration of the Term and upon Teichert having satisfied all of its obligations under the Project Approvals, as determined by County and the Department of Conservation as required by the Surface Mining and Reclamation Act. Upon termination of this Agreement, County shall record a notice of such termination.

Section 1.8. Consistency with General Plan. In granting the Project Approvals described herein, the Board expressly found that the Project Approvals are consistent with the text and maps of the County General Plan.

Section 1.9. Vesting of Rights of Teichert. County agrees that the right to mine, process and reclaim in a manner consistent with the Project Approvals and this Agreement is vested in Teichert by this Agreement without further actions of Teichert or approvals by County. Teichert's right to mine, process and reclaim the property shall be vested in accordance with this Agreement and Sections 65864 through 65869.5 of the California Government Code. The vesting rights shall be those described in Article 2 and Section 4.4, below.

Section 1.10. Binding Effect of Agreement, Covenants Running with the Land. The provisions of this Agreement, to the extent permitted by law, shall constitute covenants that shall run with the Property and the benefits and burdens of this Agreement shall be binding upon and inure to the benefit of the parties and to their successors in interest.

Section 1.11. Consideration. Each party acknowledges the lawful consideration provided by the other party's voluntary acceptance of the terms and benefits of this Agreement.

Section 1.12. Private Project. The parties agree that the mining and reclamation of the Property is a private project by Teichert; County has no interest herein except as authorized in the exercise of its governmental functions.

Section 1.13. No Joint Venture or Partnership. County and Teichert hereby renounce the existence of any form of joint venture or partnership between County and Teichert and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making County and Teichert joint venturers or partners.

Section 1.14. Amendment to Agreement. This Agreement may be amended by mutual consent of the parties in writing according to the provisions of Government Code Section 65868 and Section 17.58.260 of the County Code.

Section 1.15. Cancellation or Modification. Any party may propose cancellation or modification of this Agreement but said cancellation or modification shall require the consent of both parties and shall be made according to the provisions of Section 17.58.260 of the County Code.

Section 1.16. Assignment--Partial Termination. Teichert has the right to sell, assign, or transfer the Property, or any portion thereof, subject to this Agreement. The conditions and covenants set forth and incorporated herein by exhibits shall run with the land and the benefits and burdens shall bind and inure to the successors of the parties. Successors in interest shall be notified by Teichert of the provisions of this Agreement. Such successors in interest shall notify County of their receipt of such notice. Teichert and/or any successor in interest shall provide County with written notice of any sale, assignment or transfer of any of the Property within thirty (30) days after such sale, assignment or transfer. The successor in interest shall be capable of meeting and shall agree in writing to assume and comply with all obligations of the Project Approvals. Such benefits and obligations shall not be transferred and shall not apply to a portion of the Property sold, assigned or transferred, if the sale, assignment, or transfer of such portion of the Property does not preclude Teichert from meeting

the obligations of this Agreement and the Project Approvals on the remainder of the Property.

Teichert may provide County with a written request to terminate this Agreement as it applies to a specific portion of the Property if such portion is not necessary for Teichert to satisfy the obligations under this Agreement and the Project Approvals. Any such request shall identify the portion of the Property for which termination is requested, explain why the portion is not necessary for Teichert to satisfy the obligations under this Agreement and describe why the termination is being requested. County may request such additional information as it may deem necessary to fully evaluate Teichert's request. County shall promptly review and such request and either record a notice of termination for that portion of the Property or provide Teichert with an explanation in writing for not issuing the notice of termination.

Section 1.17. No Third Party Beneficiary. No person or entity other than the parties to this Agreement shall have any right of action based upon any provision in this Agreement.

Section 1.18. Additional Rights of the Parties. Besides any other rights or remedies specified herein, either party may institute legal proceedings to cure, correct or remedy any breach, or to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement.

Section 1.19. Authority to Execute. The person or persons executing this Agreement on behalf of Teichert warrant and represent that they have the authority to execute this Agreement on behalf of Teichert and represent that they have the authority to bind Teichert to the performance of its obligations hereunder.

ARTICLE 2. VESTED RIGHTS.

Section 2.1 Permitted Uses. The permitted mining, processing and reclamation and associated activities shall be those as set forth in the Project Approvals.

Section 2.2 Applicable Law. During the term of this Agreement, and any extension thereof, the rules, regulations and official policies applicable to and governing the mining, processing and reclamation of the Property shall be the Project Approvals as defined herein, the County General Plan, the County Zoning Code, and all other relevant codes, ordinances, resolutions, programs, policies, rules, regulations, and building improvement standards in effect as of

the Effective Date. To the extent permitted by law, this Agreement shall be binding on any existing city regardless of whether the Property is annexed by such city. To the extent permitted by law, this Agreement shall be binding on any newly incorporated city regardless of whether the Property is within the territory of the newly incorporated city, or regardless of whether the Property is annexed by such city.

Nothing herein shall limit the authority of County to exercise its legislative and/or administrative authority to adopt and enforce regulations, particularly as it may apply to County's exercise of its legislative, administrative, and enforcement powers, to protect public health and safety from any condition which is found to create immediate and/or unreasonable risk of injury, and/or which would constitute a nuisance.

The express purpose of this Section is to identify with finality the rules, regulations and official policies that will govern the mining, processing and reclamation of the Project. These rules, regulations and official policies shall govern regardless of future actions which may result in their amendment, including actions by County, whether by ordinance or resolution, or by voter initiative or by other means.

Section 2.3. Minor Deviations. The Director may approve minor deviations from the Project Approvals as requested by Teichert without amending this Agreement as provided in the County Zoning Code. As used herein, minor deviations are those modifications that as a whole do not increase the environmental impacts of the Project as determined in the EIR or increase the intensity of use of the Property, and may, for instance, relate to phasing. A description of the deviation(s) shall be reduced by County to writing and a copy placed in County's official file of this Agreement. County shall provide a copy to Teichert.

Section 2.4. Future State and Federal Laws. This Article shall not preclude the application of changes in County ordinances, regulations, plans or policies, the terms of which are specifically mandated and required by State or federal law or regulation, or the imposition by County of such fees or charges as may be necessary to implement them. If future state or federal law or regulation prevents compliance with any provision of this Agreement, such provision shall be modified or suspended as necessary to comply with such State or federal law or regulation. The Agreement shall otherwise remain in full force and effect to the extent permitted by law.

Section 2.5. Further Discretionary Actions. This Agreement shall not be construed to limit the authority or obligation of County to hold necessary public hearings, or to limit County officials or officers in exercising discretion on further discretionary actions relating to the Project. However, any such discretionary action exercised shall not prevent mining, processing and reclamation of the Project as set forth in the Project Approvals. Further, to the extent such exercise of discretion is related to a project, as defined by the California Environmental Quality Act (CEQA), such projects shall be analyzed pursuant to CEQA and the CEQA Guidelines.

Section 2.6 Application, Processing and Inspection Fees. The County may revise application fees, processing fees, and inspection fees during the term or any extension of this Agreement, and the revised fee shall apply to the mining, processing and reclamation of the Project if: (a) such revised fee is applicable to all similar private projects or works, and; (b) the application of such fee is prospective only.

ARTICLE 3. TEICHERT'S OBLIGATIONS.

Section 3.1. Property Development. If the Property is mined, it shall be mined and reclaimed according to and in compliance both with the Project Approvals, including all conditions thereto, and the terms of this Agreement. It is the intent of the parties that the terms of this Agreement are supplementary and additional to the conditions of the Project Approvals, but should be construed to be complementary with said conditions. Nothing herein shall be interpreted to relieve Teichert from its obligations to comply with the conditions of the Project Approvals. Teichert has no affirmative obligation to commence mining of the Property or to mine at a specified rate once the mining has commenced.

Section 3.2. Waiver Re: "Nexus" Challenge. Teichert agrees, and knowingly and specifically waives, its right or rights to challenge by any legal action or other proceeding, at any time during the term of this Agreement, whether or the extent to which there is a nexus or rough proportionality between the impacts of the Project and any obligation of Teichert created by the Net Gains and Dedications provided for under Section 3.3 of this Agreement.

Section 3.3. Net Gains and Dedications. Teichert has offered as a part of Project, and County has agreed to, the Net Gains and Dedications described in this Section. County and Teichert agree the items described herein are contributions that are in whole or in part in excess of those which County could otherwise require of Teichert as conditions of the Project Approvals and are made binding by this Agreement.

Section 3.3.1. Easements and Land Dedications. Teichert agrees to grant the following easements and dedicate land as described below:

Section 3.3.1.1. Easements and Land Dedicated at Commencement of Mining. Teichert agrees to grant a restrictive conservation easement and dedicate land upon the Commencement of Mining as described below:

Section 3.3.1.1.1. Easements Dedicated at Commencement of Mining. Teichert agrees to grant a restrictive conservation easement upon the Commencement of Mining for approximately 200 acres for the Coon Creek Corridor habitat. Such easement shall be offered to the County and shall run in perpetuity. County may assign its rights to the Coon Creek Conservancy ("Conservancy") with a right of reversion to the County should the Conservancy cease to exist, decline to continue to hold the easement, or in the judgment of the County, fail to properly fulfill its obligations, duties and responsibilities in the management of the easement. The easement shall be offered to the County consistent with Article 5 of this Agreement, shall cover the area generally depicted in **Exhibit "D"** and shall substantially conform to the sample provided as **Exhibit "E"**. If County agrees to accept the easement, County shall enter into a management agreement with the Conservancy for the portion of the Property included within the easement. Such management agreement shall provide for the indemnification of the County and Teichert and shall require the maintenance of commercial general liability insurance by the Conservancy its assignees or successors in interest, for activities conducted by the Conservancy in an amount and form approved by County and Teichert. Such insurance shall at a minimum provide for a minimum occurrence limit of liability of \$3,000,000.00, a general aggregate limit of \$3,000,000.00, worker's compensation insurance, employer's liability insurance of at \$1,000,000.00 and commercial automobile insurance of at least \$3,000,000.00 per accident. The management agreement shall provide for the periodical review by County and Teichert of the adequacy of the Conservancy's level of insurance and for the adjustment of such level as necessary.

Section 3.3.1.1.2. Land Dedicated after

Commencement of Mining. Teichert agrees to offer to dedicate in fee simple approximately 4 acres, including existing improvements thereon, within 180 days of the Commencement of Mining, consisting of the Wilson Ranch House and surrounding land. Said dedication shall include sufficient property adjacent to the westernmost future lake area that Teichert is required to dedication pursuant to Section 3.3.1.4 herein to provide County with future use and access to said lake area. County may assign its rights to the Coon Creek Conservancy ("Conservancy") with a right of reversion to the County should the Conservancy cease to exist, decline to continue to hold the property, or in the judgment of the County, fail to properly fulfill its obligations, duties and responsibilities in the management of the property. The property shall be offered to the County consistent with Article 5 of this Agreement and shall cover the area generally depicted in **Exhibit "D."** If County agrees to accept the property, County shall enter into a management agreement with the Conservancy for the property. Such management agreement shall provide for the indemnification of the County and Teichert and shall require the maintenance of commercial general liability insurance by the Conservancy its assignees or successors in interest, for activities conducted by the Conservancy in an amount and form approved by County and Teichert. Such insurance shall at a minimum provide for a minimum occurrence limit of liability of \$3,000,000.00, a general aggregate limit of \$3,000,000.00, worker's compensation insurance, employer's liability insurance of at \$1,000,000.00 and commercial automobile insurance of at least \$3,000,000.00 per accident. The management agreement shall provide for the periodical review by County and Teichert of the adequacy of the Conservancy's level of insurance and for the adjustment of such level as necessary.

Teichert agrees to dedicate the property subject to reservations that ensure Teichert's ability to mine, process and reclaim the Project as provided in the Project Approvals. Such reservations may include, but are not limited to, ingress and egress, access to bridges, areas for conveyor belts, water rights, and access to water. Any such reservations shall be extinguished when no longer necessary

because mining, processing and reclamation has been completed as provided in the Project Approvals except for ingress and egress, access, or other reservations necessary for existing or future uses on the remaining Property. Teichert shall also include with the dedication of the approximately four acres of land to County a nonexclusive access easement across the remaining Property for ingress and egress to the land, the future land area required to be dedicated pursuant to Section 3.3.1.4 herein, and the property required to be dedicated pursuant to Section 3.3.1.1.1 herein. The location of such access may be adjusted as necessary to accommodate the mining, processing and reclamation activities. County and Teichert shall agree to the form of the grant deed subject to this section and Article 5, prior to Teichert's Commencement of Mining.

Section 3.3.1.2. Easements Dedicated as Lands Converted.

Teichert agrees to grant agricultural preservation easements consistent with the requirements of the Project Approvals for approximately 461 acres of agricultural land. Such easements shall run in perpetuity, shall offered to the County consistent with Article 5 of this Agreement, shall cover the area generally depicted in **Exhibit "D"**, and shall substantially conform to the form provided as **Exhibit "F"**.

Teichert agrees to grant restrictive conservation easements consistent with the requirements of the Project Approvals for approximately 510 acres for wetlands creation and preservation and vernal pool fairy shrimp habitat. Any acreage beyond that required by the Project Approvals may be used by Teichert for mitigation banking. Such easements shall run in perpetuity, shall be granted to the California Department of Fish and Game or a qualified 501 (c)(3) organization, shall cover the area generally depicted in **Exhibit "D"** and shall be in a form approved by the California Department of Fish and Game, as generally depicted in **Exhibit "G"**.

Section 3.3.1.3. Land Use Restrictions on Reclaimed

Property. Teichert agrees to limit the permitted uses on reclaimed land areas. The easements provided for under this Section 3.3.1.3 shall be offered to the County consistent with Article 5 of this Agreement. The easements for each area shall be offered to the County within 180 days of the area being deemed reclaimed and

the bonds or financial assurances released by the County pursuant to the Reclamation Plan. The easements shall be as described below.

Section 3.3.1.3.1. Agricultural Preservation

Easement. Teichert agrees to grant an agricultural preservation easement for approximately 244 acres. Such easement shall run in perpetuity, shall cover the area generally depicted in **Exhibit "D"** and shall substantially conform to the form provided as **Exhibit "F"**.

Section 3.3.1.3.2. Wildlife Habitat Preservation

Easement. Teichert agrees to grant a restrictive conservation easement for approximately 107 acres for wildlife habitat preservation. Such easement shall run in perpetuity, shall cover the area generally depicted in **Exhibit "D"** and shall substantially conform to the form provided as **Exhibit "H"**.

Section 3.3.1.3.3. Grazing Land Easement. Teichert agrees to grant a restrictive easement for approximately 76 acres limiting the use of the property to grazing land. Such easement shall run in perpetuity, shall cover the area generally depicted in **Exhibit "D"** and shall substantially conform to the form provided as **Exhibit "F"**.

Section 3.3.1.3.4. Open Space Preservation

Easement. Teichert agrees to grant a restrictive conservation easement for approximately 345 acres for open space preservation for the lake areas. Such easement shall run in perpetuity, shall cover the area generally depicted in **Exhibit "D"** and shall substantially conform to the form provided as **Exhibit "H"**.

Section 3.3.1.4. Dedication of Lake Areas. Teichert agrees to offer to dedicate in fee simple to the County, within 180 days of the areas being deemed reclaimed and the bonds or financial assurances released by the County pursuant to the Reclamation Plan, the lake(s) created on the Property ultimately consisting of approximately 345 acres as generally depicted in **Exhibit "D"**. Teichert is obligated to offer to dedicate these areas; however, the County is not obligated to accept the lakes from Teichert, unless the County so chooses. County may with the mutual consent of Teichert assign its rights to another governmental agency or a non-profit entity. Should the County not accept the offer or not assign

its rights of dedication of the lake(s) areas, Teichert may offer the lake(s) to another entity subject to County approval, or maintain ownership. The land dedication shall be granted consistent with Article 5.

Section 3.3.1.5. Dedication of Fire Department Property.

Teichert agrees to offer for dedication to County approximately two (2.0) acres for the use as a fire station after Commencement of Mining at a time deemed appropriate by the County. Such property shall be located on the Property in a location deemed suitable by County to provide fire and emergency services and mutually agreed to by the Teichert and the County. The land dedication shall be granted consistent with Article 5.

Section 3.3.1.6. Environmental Health Easement. Teichert agrees to provide to the County of Placer an easement for 15,000 square feet as depicted in an area generally depicted in **Exhibit "D"** to allow the Division of Environmental Health to test sewage disposal systems. The easement shall be granted after Commencement of Mining and shall be consistent with Article 5. This easement shall be in a form mutually agreed upon by Teichert and County and shall provide for County indemnification of Teichert for all activities and impacts on the Property from such activities.

Section 3.3.1.7. Reservations. Teichert agrees to grant the easements and dedicate the land referenced in Section 3.3.1 subject to reservations that ensure Teichert's ability to mine, process and reclaim the Project as provided in the Project Approvals. Such reservations may include, but are not limited to, ingress and egress, access to bridges, areas for conveyor belts, water rights, and access to water. Any such reservations shall be extinguished when no longer necessary because mining, processing and reclamation has been completed as provided in the Project Approvals except for ingress and egress, access, water rights or other reservations necessary for existing or future uses on the Property.

Section 3.3.2. Coon Creek Conservancy Teichert agrees to take the actions described below to in order to establish and fund the Coon Creek Conservancy:

Section 3.3.2.1. Establishment of Coon Creek Conservancy.

Teichert agrees to establish the Coon Creek Conservancy in accordance with by-laws reviewed and approved by County and to provide base funding of the Conservancy as described below. The Conservancy shall be formed within 180 days of the commencement of the Term and shall be responsible for the management of the approximately 200 acres of open space along the Coon Creek Corridor offered by Teichert pursuant to Section 3.3.1.1 that will be subject to restrictive easement as a part of the Project. The Conservancy shall also provide for education programs including, but not limited to Coon Creek, habitat creation and preservation, the mining and reclamation process, cultural heritage and agriculture history and preservation. The Conservancy's primary purpose is to manage certain portions the property being preserved on the Project site and to provide for educational programs involving such property. After the first five years of the Conservancy receiving the five cents (\$0.05) per ton funding, if the Board of Directors of the Conservancy determines that the primary purpose of the Conservancy is being achieved, then the Board of Directors of the Conservancy may direct its staff to work on projects within the Coon Creek watershed beyond the boundaries of the property as long such work provides direct benefit to the Coon Creek Corridor and the cost of such work does not exceed twenty-five percent (25%) of the five cents (\$0.05) per ton described in Section 3.3.2.2, or if the work is funded from monies that are independent of said funding source.

The Conservancy, its assignees, or successors in interest, shall agree to defend, indemnify and hold harmless County and Teichert from all claims, lawsuits, liabilities and expenses arising out of its activities or any management agreement under which it operates and shall at all times maintain commercial general liability insurance for activities conducted by the Conservancy in an amount and a form approved by County and Teichert. Such Insurance shall at a minimum provide for a minimum occurrence limit of liability of \$3,000,000.00, a general aggregate limit of \$3,000,000.00, worker's compensation insurance, employer's liability insurance of at least \$1,000,000.00 and commercial automobile insurance of at least \$3,000,000.00 per accident. The adequacy of the level of insurance held by the Conservancy shall be subject to periodical review and adjustment by County and Teichert.

Section 3.3.2.2. Coon Creek Conservancy Funding. Teichert agrees to pay to the Conservancy a fee of five cents (\$0.05) per ton of Aggregate Material sold by Teichert (as Aggregate Material is defined in Section 3.3.3.5 herein) from the Property for the term of the Development Agreement. Such fee shall be paid on a quarterly basis pursuant to Section 3.3.7 and shall be subject to adjustment pursuant to Section 3.3.6. The Conservancy shall use these funds to accomplish its primary purpose. The funds shall be used for the establishment and management of the Conservancy as well as for habitat restoration and enhancement on portions of the property being preserved on the Project site, and the development of passive recreational uses along Coon Creek, including, but not limited to, hiking trails and a Nature Center on such portions of the Property. In the event the Conservancy should cease to exist, decline to continue to manage the property subject to the easement or, in the judgment of the County, fail to properly fulfill the obligations, duties and responsibilities for the management of the easement, and should the easement then revert to County ownership, Teichert shall pay the fee required by this Section 3.3.2.2 to County for its costs of management of the easement.

Section 3.3.3. Funding of County Projects Teichert agrees to provide funding for various County projects as described below.

Section 3.3.3.1. Highway 65 Bypass Funding-Traffic Improvements. Teichert agrees to pay County, after Commencement of Mining and (a) at the time that construction of the Highway 65 Bypass commences, or (b) six (6) years after the Effective Date, whichever occurs first, the sum of \$1,475,000. The first priority of these funds is for the construction of the Highway 65 Bypass. If, however, the Board for the County determines that there are sufficient funds for the planning and construction of the Highway 65 Bypass without these funds, then the funds may be used for transportation improvements anywhere within the unincorporated area of Placer County shown on **Exhibit "I"** at the discretion of the Board of Supervisors. Teichert shall pay any and all traffic impact fees required to be paid pursuant to the Project Approvals, but shall receive a credit against the amounts required to be paid pursuant to this Section for the Regional Traffic Mitigation Fee adopted by the South Placer Regional Transportation Agency and collected by County.

In addition, Teichert agrees to pay County within ninety (90) days of the issuance of a building permit for the Project the sum of \$1,000,000 for the purpose of planning and/or constructing transportation improvements anywhere within the unincorporated area of Placer County shown on **Exhibit "I"** at the discretion of the Board of Supervisors. Teichert shall pay any and all traffic impact fees required to be paid pursuant to the Project Approvals, but shall receive a credit against the amounts required to be paid pursuant to this Section only for the County's Traffic Mitigation Fee for the Placer Central zone, or any equivalent such fee in effect at the time of payment.

Section 3.3.3.2. Wise Road. Teichert agrees to pay County, after Commencement of Mining and (a) at the time that construction of the Highway 65 Bypass commences, or (b) six (6) years after the Effective Date, whichever occurs first, the sum of \$1,000,000 for the purpose of improving Wise Road between Highway 65 and the Highway 65 Bypass. Such funds shall be used for improvements to the Highway 65/Wise Road intersection, the intersection with the Rail Road, widening and improving Wise Road to County standards. These funds shall remain reserved for the enumerated Wise Road improvements until all such enumerated improvements are completed. If there are any excess funds after the enumerated improvements are achieved, then such funds may be used for traffic improvements within the unincorporated area of Placer County shown on **Exhibit "I"** at the discretion of the Board. Furthermore, in the event that a traffic mitigation fee is established that includes the aforementioned Wise Road traffic improvements, Teichert shall receive a credit against such fee up to the amount of the \$1,000,000 payment.

Section 3.3.3.3. Fire Equipment. Teichert agrees to notify the County Office of Emergency Services when it files for a building permit and to pay County at the time the building permit for the Project is issued a sum of \$220,000 for fire equipment as requested by County, such as fire-fighting foam, extrication equipment, lifting airbags, and apparatus and facilities.

Section 3.3.3.4. Noise Meter Funding. Teichert agrees to pay County at the time the building permit for the Project is issued a sum of \$7,500 for the purchase of noise meter equipment and software as requested by County. Teichert also agrees to thereafter

pay the County the sum of \$7,500 every ten years thereafter through the Term of the Development Agreement for updating the noise meter equipment.

Section 3.3.3.5. Cents Per Ton Funding for County Projects. In addition to the five cents (\$0.05) per ton of Aggregate Material paid to the Coon Creek Conservancy pursuant to Section 3.3.2.2, Teichert agrees to pay to County sixteen cents (\$0.16) per ton of Aggregate Material sold by Teichert at the Property for the term of the Development Agreement. For the purposes of this Agreement, "Aggregate Material" shall mean sand, gravel and granitic rock materials and shall include such material sold or transferred at the site to affiliates or subsidiaries of Teichert for the production of concrete, asphalt or other products. The cents per ton payments shall be calculated, paid and verified as provided in Section 3.3.7. County agrees to provide four cents (\$0.04) per ton to the City of Lincoln for roadway improvements and maintenance for a period beginning with the Commencement of Mining and terminating when either the Highway 65 Bypass construction has been completed or six (6) years after Commencement of Mining, whichever occurs first. The remaining twelve cents (\$0.12) per ton, which shall become sixteen cents (\$0.16) per ton upon the termination of the commitment to the City of Lincoln, shall be used by the County for the following items:

Section 3.3.3.5.1. Roadway Improvements and Maintenance. Funds may be allocated by County for roadway improvements and maintenance within the unincorporated area of Placer County located west of Highway 49 and north of Interstate 80, at the discretion of the Board of Supervisors, including such work as for overlays, lime treated base, chip seal, slurry seal, drainage improvements, shoulder work, safety measures and congestion management.

Section 3.3.3.5.2. Open Space Funding. Funds may be allocated by County for open space. Such funds shall be used for the implementation of Placer Legacy, and/or the acquisition, protection, preservation and/or maintenance of open space areas within the County, including marketing, promoting and education programs for open space and agriculture. These funds may be transferred by County to

non-profit organizations, including the Coon Creek Conservancy, for the stated purposes.

Section 3.3.3.5.3. Planning Monitoring of Project.

Funds may be allocated to the Planning Department for monitoring of the Project. Such funds shall be in addition to those required by Project Approvals.

Section 3.3.3.5.4. Environmental Health for Mosquito Abatement or other public health matters.

Funds may be allocated by County for mosquito abatement and other public health matters, such as septic system testing. Funds used for mosquito abatement shall be for abatement in an area within the County generally consisting of a 3-mile radius from the Project boundaries.

Section 3.3.3.5.5. Park Maintenance and Operations.

Funds may be allocated by County for park maintenance and operations. Such funds shall be used for park facilities within the unincorporated area of the County generally bounded by the boundaries of the Cities of Roseville and Rocklin and by Horseshoe Bar Road to the south, Auburn-Folsom Road and Bell Road to the east and the County line to the north and west.

Section 3.3.3.5.6. Enhanced Fire Services. Funds may be allocated by County for enhanced fire services. Such funds shall be used for fire services within the unincorporated area of the County generally bounded by the City of Lincoln and Highway 193 to the south, Highway 65 to the west, the County line to the north and the Bell Road to the east.

Section 3.3.4. Sand/Rock for Failing Septic Systems. Teichert agrees to provide up to 100 tons per year of sand/rock at the request of County for use in failing public and/or low income housing septic systems in the unincorporated area of Placer County during the term of the Development Agreement. Such sand/rock shall be picked up from the Property by County. "Low income housing" shall be as defined in the Housing Element of the County General Plan.

Section 3.3.5. Location of Place of Sale within Unincorporated County. For the purposes of determining the "place of sale" within the meaning of Revenue and Taxation Code section 6010.5 for sales or use tax calculations, Teichert agrees that the Property, or a portion thereof, shall be maintained as the location where the transfer of title or possession for consideration occurs for the sale of Aggregate Material or other product produced from material extracted from the Property. Teichert agrees to maintain the "place of sale" within the unincorporated portion of the County of Placer for the Term of the Development Agreement. If the sphere of influence of any city is later amended to include the Property, and the "place of sale" is annexed or incorporated into a city, Teichert shall not be responsible for an equivalent revenue stream to the County. Teichert, however, shall object to the annexation into a city that portion of the Property where the "place of sale" is located for the Term of the Development Agreement.

Section 3.3.6. Annual Adjustments. Contributions to be made by Teichert pursuant to Sections 3.3.2.2, 3.3.3.1, 3.3.3.2 and 3.3.3.5 shall be adjusted for inflation as provided in this Section 3.3.6. The adjustment shall be based upon the State of California, Department of Industrial Relations Consumer Price Index for West Coast All Urban Consumers (the "CPI").

The first adjustment shall be on the third anniversary of the Effective Date based upon the cumulative change in the CPI over the twenty-four (24) month period ending on the June 30 immediately preceding said third anniversary date; provided, however, in the event litigation is initiated by any party other than Teichert that challenges the Project or the Project Approvals, the first adjustment shall be based upon the cumulative change in the CPI over the twelve (12) month period ending on the June 30 immediately preceding said third anniversary date. Thereafter, adjustments shall be made on each anniversary of the Effective Date based upon the cumulative change in the CPI during the twelve (12) month period ending on the immediately preceding June 30.

In the event County approves a conditional use permit or other development entitlement for the operation of a surface mining operation that is substantially similar to the Project and that operator is not subject to payment of a contribution equal to or greater than those cumulatively provided by Teichert pursuant to Sections 3.3.2.2 and 3.3.3.5 (as adjusted herein), the requirements of this Section 3.3.6 shall be suspended until that operator's contribution is equal to or greater than Teichert's contribution. The Board of Supervisors shall retain the authority to determine in good

faith whether the Project and the new proposed surface mining operation are substantially similar.

Section 3.3.7. Calculation, Payment and Verification of Cents per Ton Contributions. Payments required by Section 3.3.2.2 and 3.3.3.5 shall be made within 30 days of the following quarterly dates of each year: March 31, June 30, September 30, and December 31. The first quarterly contribution shall be due the second quarterly due date after the Commencement of Mining. Together with each payment, Teichert shall provide County with a statement indicating the tons of Aggregate Material sold and the calculation of the contribution being made as a result. Quarterly payments shall be based upon the tonnage produced and sold from the Project site and the rates provided for in Sections 3.3.2.2. and 3.3.3.5. above, as adjusted by Section 3.3.6. Payment shall be made directly to the Coon Creek Conservancy for payments required by Section 3.3.2.2, with a copy to County, and to County for payments required by Section 3.3.3.5. Payments to County shall be made to : County Executive Office, 175 Fulweiler Ave, Auburn, CA 95603, or such address as County may designate in writing.

For the purpose of administering this section, County may establish procedures by which Teichert will report and account for the sale and/or transfer of all Aggregate Material for which contributions are due, provided such procedures are consistent with the terms of this Agreement. The County may audit, as often as it determines is necessary, the tonnage of Aggregate Material being produced and sold at the Project site and the contributions paid to the Coon Creek Conservancy and County to verify that the amount of payment correctly reflects actual tonnage sold. County hereby agrees to keep any proprietary information it may obtain from Teichert confidential to the maximum extent allowed by law. Teichert shall clearly mark any proprietary information provided County as confidential.

ARTICLE 4. COUNTY'S OBLIGATIONS.

Section 4.1. County Processing and Review. County agrees to accept for processing and expeditious review and action any applications for minor deviations from the Project Approvals or other entitlements needed to implement Project Approvals.

Section 4.2. Cooperation Between County and Teichert. The County agrees to expeditiously process all permits that County may require for the Project.

Section 4.3 Inapplicability of Subsequent Legislation. Excepting for any referendum of the Adopting Ordinance, if an ordinance, resolution or other measure is enacted, whether by action of the Board, by voter initiative, or otherwise, that would prevent the mining, processing or reclamation on the Property consistent with the Project Approvals and this Agreement, including moratoria, County herein agrees that such ordinance, resolution or other measures shall not apply to the Property or limit the mining, processing and reclamation set forth in this Agreement and the Project Approvals.

Section 4.4. Vested Rights. By entering into this Agreement, County hereby grants to Teichert a vested right to proceed with the mining, processing and reclamation on the Property in accordance with the terms and conditions of this Agreement, the Project Approvals, and Applicable Law, as described in Article 2 of this Agreement.

Section 4.5. Annual Review. Teichert shall, on an annual basis, submit evidence of compliance with all terms of this Agreement in accordance with Section 17.58.250 of the County Code. County shall, every twelve (12) months during the term of this Agreement, review and make findings specifically as to the extent of good faith compliance by Teichert with the terms of this Agreement pursuant to Government Code Section 65865.1 and Section 17.58.250 of the County Code.

ARTICLE 5. DEDICATIONS AND EASEMENTS.

Section 5.1 Process for Dedications of Fee Title and Easements. In the event that the County chooses to accept dedications of fee title or easements for properties described in Section 3.3 the following shall apply:

(a) **Reservation of Rights.** With the exception of mineral rights, water rights, access to water and in some cases access easements, Teichert shall offer to convey all rights and fee title to the property to be dedicated to County or its designee free of all restrictions, encumbrances, and liens other than those approved by the County.

(b) **County Commitments Regarding Dedicated Land.** The County agrees that should it accept any of the property described in Section 3.3, it will not lease, sell, rent or otherwise use the property for the purposes of further aggregate mining. The County further warrants that such lands will only be used in a manner that is consistent with the Project Approvals and the purposes for which the land is offered. County's ownership and use of dedicated land shall not adversely affect Teichert's ability to mine, process and reclaim pursuant

to the Project Approvals. Such restrictions shall run with and burden the respective real property described in Section 3.3.

(c) Lot Line Adjustment. The boundaries of the property to be dedicated pursuant to Section 3.3 shall be established via lot line adjustment, or other appropriate mechanism of State law in force at the time of transfer. Teichert shall be responsible for all costs associated with establishing the dedicated property as a separate and distinct lot with documented (surveyed) boundaries.

(d) Due Diligence at Time of Transfer. The County shall be given access for staff and consultants, during the period of escrow, for the purposes of performing various site assessments to verify the suitability of the property to be dedicated for public conveyance. All offers by Teichert to dedicate fee title or easement to County shall be irrevocable. County has no obligation to accept dedication of such property. Should the County not accept an offer of dedication of an easement, Teichert may offer such dedication of an easement to another entity approved by the County.

(e) Hazardous and/or Toxic Substance Cleanup. All property offered to the County shall be free of any and all hazardous and/or toxic substances as defined by federal, state and local laws or regulations, including but not limited to substances defined in the State of California Health and Safety Code or in the Oil Pollution Act, 33 U.S.C. §2701 et seq., the Comprehensive Environmental Response Control and Liability Act, 42 U.S.C. §9601 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. If any cleanup is required, Teichert shall remove and dispose of all toxic substances and/or contamination prior to acceptance by the County or its designee. The obligation of Teichert to clean and remove toxic substances shall be deemed discharged only after the County is notified in writing by the appropriate agency that no further cleanup is required.

ARTICLE 6. BREACH OF AGREEMENT.

Section 6.1. Breach. Failure or delay by either party to perform any provision of this Agreement shall constitute a breach of the Agreement, provided, however, any breach by a successor-in-interest shall not be considered a breach by Teichert or any other non-breaching successor-in-interest of Teichert. In the event of breach, the party alleging such breach shall give the other party not less than thirty (30) days written notice specifying the nature of the alleged breach and the manner in which the alleged breach may be cured. In the event that the breach will take more than thirty (30) days to cure, a reasonable period

for the cure shall be provided, as long as breaching party in making diligent progress in performing the cure. If no resolution of the matter is reached, the party alleging the breach may institute legal proceedings as provided in Section 1.18 to cure or remedy the breach, or may give written notice of termination. After receipt of a notice of termination from Teichert or the issuance of a notice of termination to Teichert, the County shall promptly schedule a hearing to consider and review the matter of the termination in accordance with Section 17.58.260 of the County Code. The hearing need not be conducted according to technical rules relating to evidence; provided, however, the decision of the Board of Supervisors shall be based upon substantial evidence in the record.

Any action that the County may deem necessary arising out of an annual review conducted pursuant to Section 4.5, above, shall comply with Section 17.58.260 of the County Code.

Section 6.2. Enforced Delay, Extension of Times of Performance.

Neither party shall deem performance of the terms of this Agreement to be in breach where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, or enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation enacted by the state or federal government. For such cause, County shall grant an extension of time in writing for the period of the enforced delay or longer, as may be mutually agreed.

ARTICLE 7. NOTICES.

Section 7.1 Notices. Notices, demands, correspondence, and other communication between County and Teichert shall be considered sufficient if dispatched by prepaid certified return receipt first-class mail as follows:

To County: County of Placer
175 Fulweiler Avenue
Auburn, CA 95603-4581
Attn: Chief Executive Officer

To Teichert: Teichert Land Co
3500 American River Drive
P.O. Box 13308
Sacramento, CA 95813
Attn: President

A party may, from time to time, advise the other party of a new address for notices, demands, or correspondence.

ARTICLE 8. MISCELLANEOUS PROVISIONS.

Section 8.1. Construction of Agreement. The language in all parts of this Agreement shall, in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction. This Agreement shall be governed by the laws of the State of California.

Section 8.2. Entire Agreement. This Agreement, together with the documents incorporated by reference, exhibits, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.

Section 8.3. Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, file or record any required instruments and writings necessary to evidence or consummate the transactions contemplated by this Agreement, and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement.

Section 8.4. Covenant of Good Faith and Fair Dealing. Neither party shall do anything which shall have the effect of harming or injuring the right of the other party to receive the benefits of this Agreement; each party shall refrain from doing anything which would render its performance under this Agreement impossible; and each party shall do everything which this Agreement contemplates that such party shall do to accomplish the objectives and purposes of this Agreement. Where the consent or approval of a party is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld.

Section 8.5. No Waiver. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any of the covenants or conditions to be performed by the other party shall not be construed as a waiver of any succeeding breach or non-performance of the same or other covenants and conditions hereof.

Section 8.6. Invalidity of Agreement or Enabling Legislation. If a court of final jurisdiction over Placer County determines this Agreement, in its entirety, or the enabling legislation, Government Code Section 65864, et seq., to be invalid or unenforceable, this Agreement shall be deemed terminated from the date of entry of final judgment. County shall record a notice of termination.

Section 8.7. Invalidity of Provisions of Agreement. If a court finally adjudicates any provision of this Agreement to be invalid and unenforceable, or if the terms of any statute of the State of California that became effective after the effective date of the Adopting Ordinance renders invalid or unenforceable any provision of this Agreement, and either party in good faith determines such provision or provisions are material to its entering into and continuing to be bound by this Agreement, that party may elect to terminate this Agreement as to all of its unperformed obligations. If the Agreement is terminated, County shall record a notice of termination.

**Section 8.8. Cooperation in the Event of Legal Challenge--
Indemnification.** In the event of any legal action instituted by a third party challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate with each other in good faith to defend said action and the validity of each provision of this Agreement. However, the parties hereby agree that each party will independently evaluate the merits of any action against this Agreement.

Teichert, or its successors-in-interest and assigns, hereby agrees to, and shall defend and hold County, its elective and appointive boards, commissions, officers, agents, and employees harmless from any costs, expenses, damages, liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Teichert, or of Teichert's contractors, subcontractors, agents, or employees under this Agreement or use of the Property, whether such operations or use be by Teichert, or by any of Teichert's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for Teichert or Teichert's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of County.

In addition to the foregoing obligations, Teichert shall, upon written request of County, defend, indemnify and hold County, its elective and appointive boards, commissions, officers, agents and employees harmless from any and all lawsuits, claims, challenges, damages, expenses costs, including attorneys fees awarded by a court, or in any actions at law or in equity arising out of or related to the processing, approval, execution, adoption or implementation of the Project, this Agreement, the Project Approvals, or the EIR, exclusive of any such actions brought by Teichert, its successors-in-interests or assigns. The County shall retain the right to appear in and defend any such action or lawsuit on its own behalf regardless of any tender under this provision. Upon request of County, Teichert shall execute an indemnification agreement in a form approved by County Counsel consistent with the terms above.

If Teichert gives written notice to County of Teichert's option, as real party in interest, not to defend such challenge, County, at its option may either (1) continue to defend such action, in which event Teichert shall be relieved of its obligations under this Section 8.8, or (2) rescind the Agreement or the sections that are the subject of the challenge and take such actions as are necessary to obtain dismissal of any pending actions or claims.

Section 8.9. Attorneys' Fees. In any arbitration, quasi-judicial, or administrative proceedings or any action in any court of competent jurisdiction, brought by either party to enforce any covenant or any of such party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert consultation, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party.

Section 8.10. Jurisdiction. Notwithstanding the provisions of Code of Civil Procedure Section 394, Teichert and County agree that the jurisdiction for any legal proceeding involving this Agreement shall be the Superior Court of the State of California in and for the County of Placer.


Section 8.11. Recording. The County shall cause a copy of this Agreement to be recorded with the County of Placer Recorder no later than ten (10) days following execution of this Agreement by County, which execution will take place no sooner than the effective date of the Adopting Ordinance.

TEICHERT DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.


**TEICHERT, INC.,
a California Corporation**

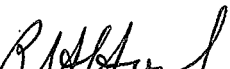
By: 
Norman E. Eilert
Title: Executive Vice President

By: 
Bryan W. Bennett
Title: Assistant Treasurer

-AND-


**TEICHERT LAND CO.,
a California Corporation**


By: 
Norman E. Eilert
Title: Assistant Treasurer

By: 
Robert H. Hamel
Title: Vice President

-AND-

**SUTTER BYPASS PROPERTIES, INC.,
a California Corporation**

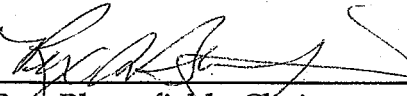
By: 
Norman E. Eilert
Title: Assistant Treasurer


By: 
Robert H. Hamel
Title: Vice President

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TEICHERT DEVELOPMENT AGREEMENT

COUNTY OF PLACER, a political
subdivision of the State of California

By: 
Rex Bloomfield, Chair
Board of Supervisors

ATTEST:  (SEAL)
Ann Holman, Clerk
Board of Supervisors

Approved as to form:

By: 
Scott H. Finley
Senior Deputy County Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Sacramento

SS.

On 1-30-03

Date

before me, Virginia M. Halstenrud, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

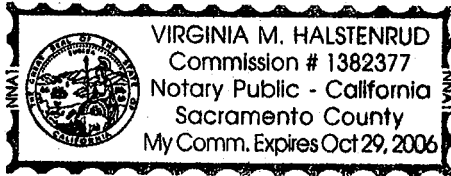
personally appeared

Norman E. Eilert and Bryan W. Bennett

Name(s) of Signer(s)

- ☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Virginia M. Halstenrud
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement By & Between the County of Placer and Teichert, Inc., etc.

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☒ Corporate Officer — Title(s): EVP + Asst. Treasurer
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: Teichert, Inc.

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento } ss.

On 1-30-03, before me, Virginia M. Halstenrud, Notary Public

Date

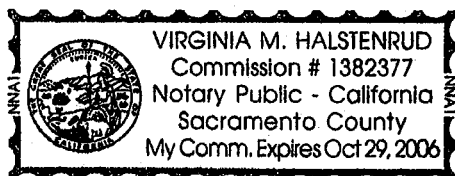
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Norman E. Eilert and Robert H. Hamel

Name(s) of Signer(s)

- ☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in ~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Virginia M. Halstenrud
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement By & Between the County of Placer and Teichert, Inc., etc.

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☒ Corporate Officer — Title(s): Asst. Treasurer & V.P.

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: Teichert Land Co.

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

SS.

On 1-30-03

Date

before me, Virginia M. Halstenrud, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

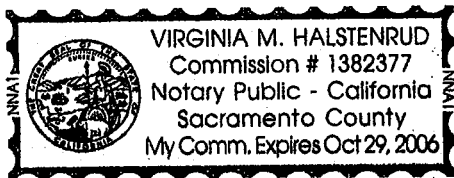
Norman E. Eilert and Robert H. Hamel

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is~~are subscribed to the within instrument and acknowledged to me that ~~he~~~~she~~they executed the same in ~~his~~~~her~~their authorized capacity(ies), and that by ~~his~~~~her~~their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Virginia M. Halstenrud
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement By & Between the County of Placer and Tishert, Inc., etc.

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☒ Corporate Officer — Title(s): Asst. Treasurer & V. P.

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: Sutter Bypass Properties, Inc.

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

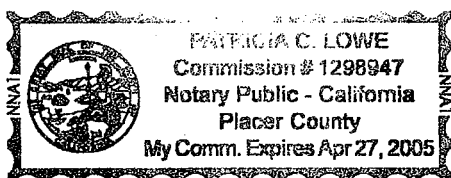
State of California

County of Placer

On February 6, 2003 before me, Patricia C. Lowe,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Rex Bloomfield
Name(s) of Signer(s)

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Patricia C. Lowe
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Development Agreement By and Between the County of Placer and Teichert, Inc., etc.

Document Date: BOSFinal(12/17/02) Number of Pages: 34 plus numerous attachments

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Rex Bloomfield

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☒ Other: Chairman of the Board of Supervisors Placer County

Signer Is Representing:
Placer County

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

I, ANNE S. HASLAM, Secretary of SUTTER BYPASS PROPERTIES, INC., a California Corporation, certify that the following is a true and correct copy of a resolution unanimously passed and adopted by the Board of Directors of this corporation at a meeting held on July 31, 2002:

RESOLVED, That

| | | |
|-----|------------------|--|
| | Judson T. Riggs | President |
| or | Norman E. Eilert | Assistant Treasurer and Assistant Secretary |
| and | Robert H. Hamel | Vice President, Treasurer and Assistant Secretary |
| or | Anne S. Haslam | Secretary |

acting in combination, are authorized on behalf of this corporation to sign, seal, acknowledge, verify and deliver deeds, deeds of trust, mortgages, pledges, transfers, promissory notes, and any other documents and instruments relating to the business and properties, real and personal, of this corporation;

RESOLVED FURTHER, That the following officers of this corporation:

| | |
|------------------|--|
| Judson T. Riggs | President |
| Norman E. Eilert | Assistant Treasurer and Assistant Secretary |
| Robert H. Hamel | Vice President, Treasurer and Assistant Secretary |
| Anne S. Haslam | Secretary |

are authorized, acting alone or in any combination, on behalf of this corporation, to do all other acts of a business nature that this corporation is empowered to do by law.

Dated: _____

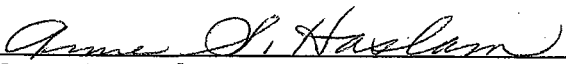

Anne S. Haslam
Secretary of Sutter Bypass Properties, Inc.

EXHIBIT A

Legal Description of Property

The land referred to in this Report is situated in the State of California, County of PLACER, unincorporated area, and is described as follows:

PARCEL ONE:

The West half of Section 15, Township 13 North, Range 6 East, MDB&M.

PARCEL TWO:

The Southeast quarter and the East half of the Southwest quarter of Section 16, Township 13 North, Range 6 East, MDB&M.

PARCEL THREE:

All of Section 21, Township 13 North, Range 6 East, MDB&M.

EXCEPTING THEREFROM that portion thereof conveyed to Thomas Lee Chamberlain, by Deed recorded in Book "E" of Deeds, at page 475, Placer County Records.

PARCEL FOUR:

The Northwest quarter of Section 22, Township 13 North, Range 6 East, MDB&M. That portion of the Southwest quarter of Section 22 described as follows:

COMMENCING at a point on the West side of said Section 22 distant 8 rods and 7 links North of the Southwest corner of said Section 22 and running thence North 50° East 216 rods and 12 links to the North and South quarter section line of said Section 22; thence North 6 rods and 22 links to the center of said Section 22, a distance of 160 rods to the West quarter corner thereof; thence South along the West side of said Section 22, and distance of 151 rods and 18 links to the place of commencement.

PARCEL FIVE:

The Northwest quarter of Section 28, Township 13 North, Range 6 East, MDB&M.

EXCEPTING THEREFROM that part thereof lying South and West of a line running through the East side of said quarter section at a point due South 26 chains and 82 links from the quarter section stake on the East and West line dividing said Sections 21 and 28 and thence North 45° West 37 chains to a point on the same section line 25 chains and 19 links due West from said quarter section stake.

PARCEL SIX:

The Northeast quarter of Section 28, Township 13 North, Range 6 East, MDB&M.

EXCEPTING THEREFROM that part thereof described in and conveyed by Deed from David H. Long and Sarah Long, his wife to Thomas Lee Chamberlain, dated August 20, 1859, recorded in Book "E" of Deeds, at page 475, Placer County Records.

PARCEL SEVEN:

The Northeast 2.75 acres of the Northwest quarter of the Southeast quarter of Section 28, Township 13 North, Range 6 East, MDB&M., described as follows:

BEGINNING at a point on the East and West centerline of Section 28 and distance of 52.60 chains East of the West quarter corner of said Section 28 and running thence South 45° East 10.63 chains to East line of the Northwest quarter of the Southeast quarter of said Section 28; thence North along the East line of the Northwest quarter of the Southeast quarter of said Section 28 a distance of 7.50 chains to the East and West centerline of Section 28; thence West along said line 7.40 chains to the point of beginning.

PARCEL EIGHT:

The Northeast quarter and the East half of the Northwest quarter of Section 16, Township 13 North, Range 6 East, MDB&M.

APN'S 020-130-008
020-130-017
020-130-022
020-141-002
020-141-003
020-150-012

All that certain real property situate, lying and being in the County of Placer, State of California described as follows:

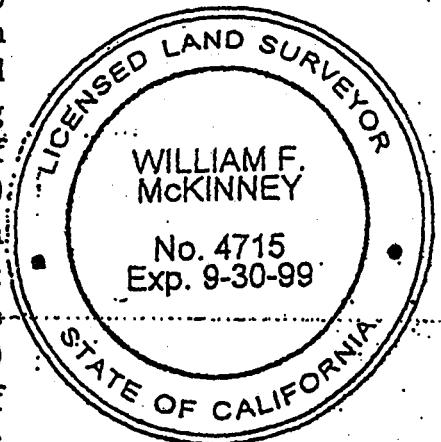
Parcel 1:

The South one-half ($S\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of Section 30, Township 13 North, Range 6 East, M.D.B. & M.

Parcel 2:

All that portion of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of Section 30, Township 13 North, Range 6 East, M.D.B.&M. described as follows:

BEGINNING at the southwest corner of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30; thence from said POINT OF BEGINNING and along the west line of said southeast one-quarter ($SE\frac{1}{4}$) northerly 918.50 feet; thence leaving said west line and parallel with the south line of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30 easterly 1978.56 feet; thence South 239.60 feet more or less to a fence corner; thence along fence line the following two (2) courses: (1) South 668.94 feet and (2) Easterly 665.08 feet to the East line of said Section 30; thence along the east line of said Section 30 Southerly 19.38 feet to the Southeast corner of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30; thence along the South line of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30 westerly 2655.22 feet to the POINT OF BEGINNING.

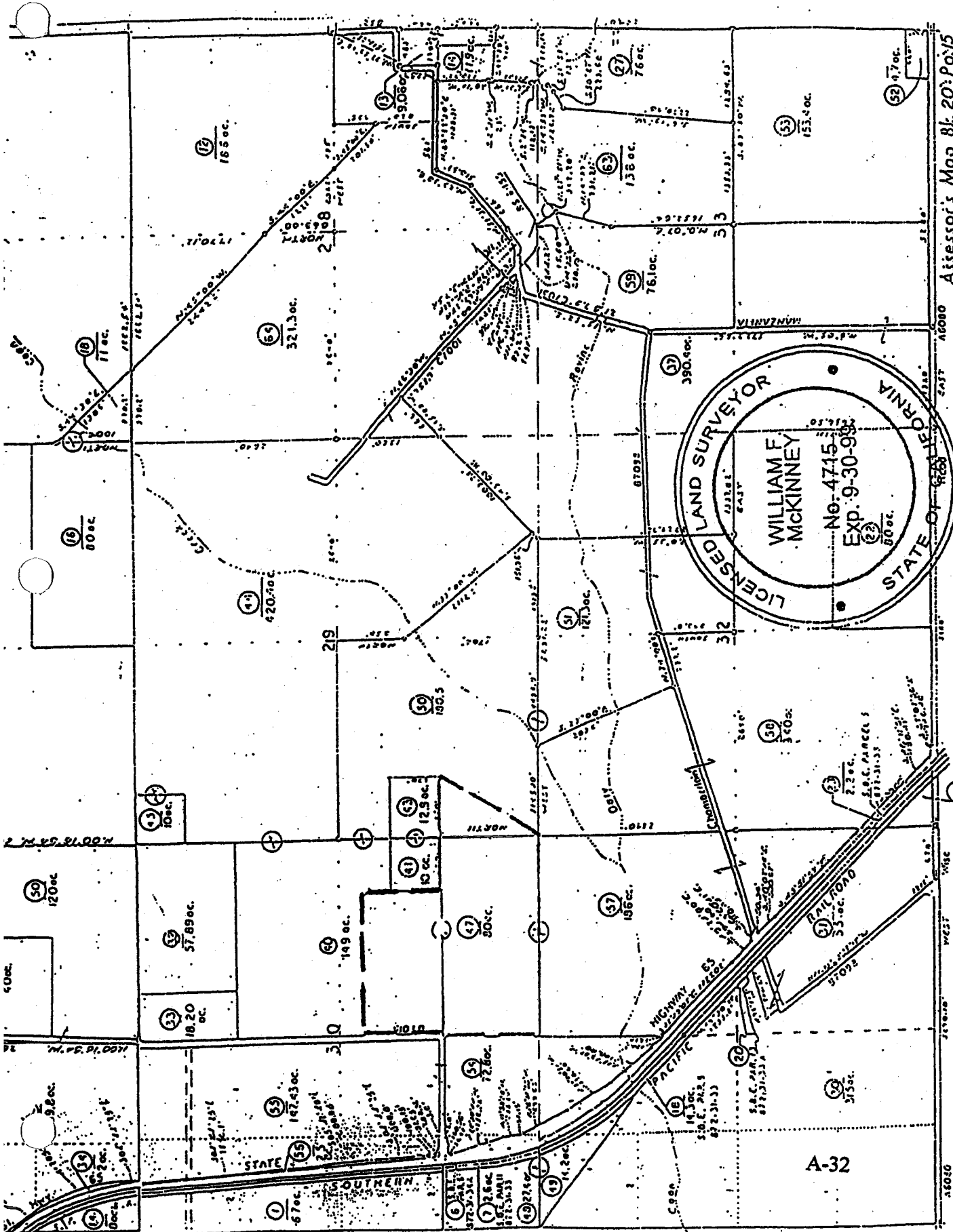


A handwritten signature in dark ink, appearing to read "William F. McKinney", located below the surveyor's seal.

Parcel 3:

All that portion of Section 29, Township 13 North, Range 6 East, M.D.B. & M. described as follows:

BEGINNING at the southwest corner of Section 29; thence from said POINT OF BEGINNING northeasterly 1,601.96 feet more or less to an existing fence corner; thence west along a fenceline 841.22 feet to the section line common to Sections 29 and 30; thence along said common line south 1348.77 feet to the POINT OF BEGINNING.



Assessor's Map Bl. 20: Pg. 15
County of Placer, Calif.

William F. McKinney

A-32

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LEGAL DESCRIPTION NORTH OF CHAMBERLAIN ROAD

All that certain real property situate, lying and being in the County of Placer, State of California described as follows:

Parcel 1:

The South one-half ($S\frac{1}{2}$) of the Northeast one-quarter ($NE\frac{1}{4}$) and all that portion of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of Section 30, Township 13 North, Range 6 East, M.D.B. & M. described as follows:

BEGINNING at the point located on the West line of the North one-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30 which bears North 918.50 feet from the Southwest corner thereof; thence from said POINT OF BEGINNING easterly parallel with the South line of the North One-half ($N\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30 1978.56 feet; thence South 239.60 feet to an existing fence corner; thence easterly along a fenceline 674.12 feet to the East line of said Section 30; thence along the East line of said Section 30 North 641.72 feet to the Northeast corner of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30; thence along the North line of said Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30 West 2656.12 feet to the Northwest corner of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 30; thence southerly along the West line of said Southeast one-quarter ($SE\frac{1}{4}$) 409.54 feet to the POINT OF BEGINNING.

Parcel 2:

All that portion of the East one-half ($E\frac{1}{2}$) of Section 31, Township 13 North, Range 6 East, M.D.B. & M., lying East of the East line of Highway 65 and lying Northerly of the centerline of Chamberlain Road.

Parcel 3:

The South one-half ($S\frac{1}{2}$) of the Southeast one-quarter ($SE\frac{1}{4}$) of Section 20, Township 13 North, Range 6 East, M.D.B. & M.

Parcel 4:

A portion of the Southwest one-quarter ($SW\frac{1}{4}$) of Section 21, Township 13 North, Range 6 East, M.D.B. & M., described as follows: BEGINNING at the corner common to Sections 20, 21, 28 and 29, of said Township and Range, and running thence North on the Section line 1006.5 feet; thence South 44°

30' East 1386 feet to the section line between Sections 21 and 28; thence West 970.2 feet to the POINT OF BEGINNING.

Parcel 5:

All of Section 32, Township 13 North, Range 6 East, M.D.B. & M.

EXCEPTING THEREFROM the East one-half ($E\frac{1}{2}$) of the Northeast one-quarter ($NE\frac{1}{4}$) thereof.

Also EXCEPTING THEREFROM all that portion lying Southerly of the centerline of Chamberlain Road.

Parcel 6:

All of Section 29, Township 13 North, Range 6 East, M.D.B. & M.

EXCEPTING THEREFROM all that portion lying Southeasterly of a line more particularly described as beginning at a point on the East line of the Southeast one-quarter ($SE\frac{1}{4}$) of said Section 29 from which point the quarter corner common to Sections 28 and 29, Township 13 North, Range 6 East, M.D.B. & M. bears North 1346.4 feet; thence from said POINT OF BEGINNING and along the property line of Coon Creek Cattle Company South 45° West 1850 feet more or less to the South line of said Section 29.

Also EXCEPTING THEREFROM the following described parcel:

All that portion of the Southwest one-quarter ($SW\frac{1}{4}$) of Section 29, Township 13 North, Range 6 East M.D.B. & M., described as follows:

BEGINNING at the Southwest corner of said Section 29; thence Northeasterly 1601.96 feet to a fence corner; thence North 664.69 feet along a fenceline to a fence corner; thence West 831.21 feet along a fenceline to the West line of said Section 29; thence South 2017.07 feet along the west line of said Section 29 to the POINT OF BEGINNING.

Parcel 7:

All that portion of Section 28, Township 13 North, Range 6 East, M.D.B. & M. described as follows:

BEGINNING at the section corner common to Sections 20, 21, 28, and 29 and running thence South on the section line 2640 feet to the quarter section corner; thence East 2640 feet to the center of Section 28; thence North 869.88 feet; thence North 45° West 2442 feet more or less, to the section line

between Sections 21 and 28; thence West on said section line 970.2 feet to the POINT OF BEGINNING.

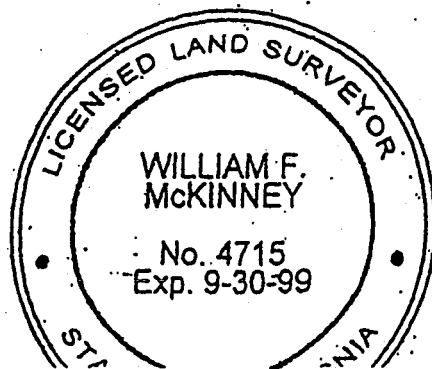
Also, a portion of said Section 28 described as follows:

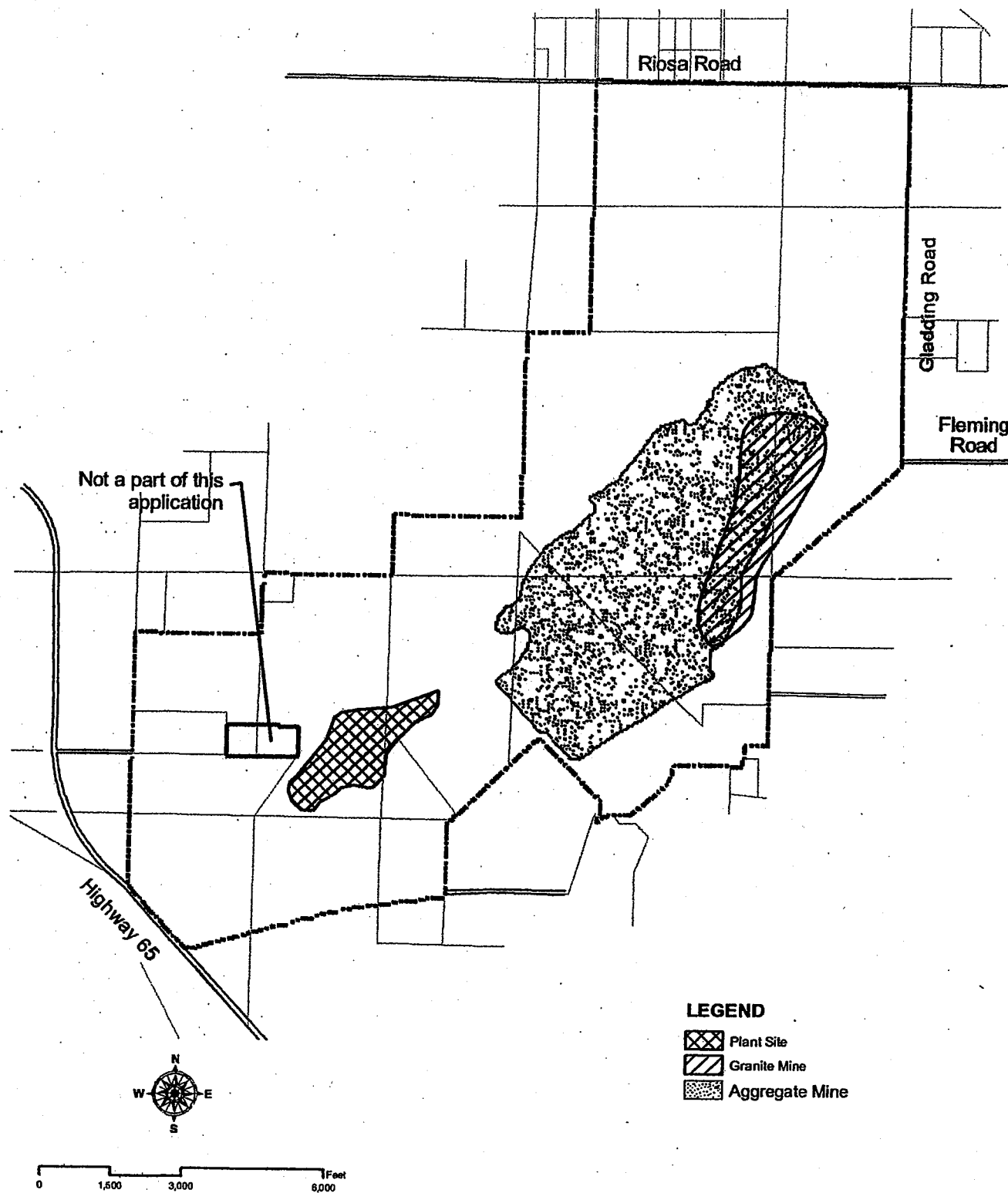
BEGINNING at the center of said Section 28 and running thence North 869.88 feet; thence South 44° East 1221 feet; thence West 831.6 feet to the POINT OF BEGINNING.

Also, a portion of said Section 28 described as follows:

BEGINNING at the quarter section corner between Sections 28 and 29, and running thence East on the centerline of said Section 3471.6 feet; thence South 45° East 701.58 feet; thence South 825 feet; thence West 561 feet; thence South 23° 58' West 518.37 feet; thence South 51° 31' West 666 feet to the Northeast corner of that certain Corporation Grant Deed to Floyd Fitzgerald and Lydia Fitzgerald, husband and wife, as joint tenants, said deed being filed for record in the Office of the Recorder of Placer County in Volume 1889 of official records, at Page 465; thence along the Northerly boundary line of said deed the following three (3) courses: (1) South 52° 00' 00" West 181.56 feet; (2) South 77° 39' 00" West 119.41 feet, and (3) South 89° 27' 55" West 187.73 feet to the most Easterly corner of that certain individual Grant Deed to Coon Creek Cattle Company, a California Corporation, said deed being filed for record in the Office of the Recorder of Placer County in Volume 1889 of official records, at Page 463; thence along the Southerly and Westerly boundary lines of said deed the following five (5) courses: (1) South 89° 27' 55" West 146.24 feet, (2) South 77° 56' 10" West 122.34 feet, (3) South 54° 22' 55" West 82.20 feet, (4) South 39° 00' 00" West 91.71 feet; and (5) North 14° 43' East 443.59 feet; thence leaving the boundary line of said Grant Deed North 45° West 1194 feet more or less to an angle point in Coon Creek Lane; thence North 46° 30' West 755.7 feet; thence South 45° West 666 feet to the section line common to Sections 28 and 29; thence North 1320 feet to the POINT OF BEGINNING.

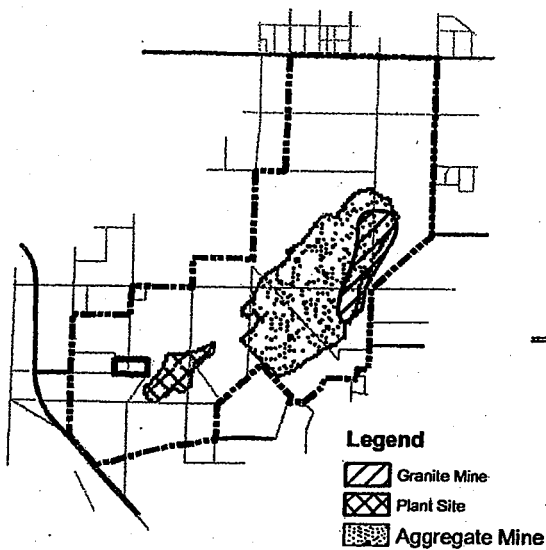
Also the Northeast one-quarter (NE¼) of the Southeast one-quarter (SE¼) of said Section 28, less 5 acres sold to the Trustees of the Manzanita Cemetery by Deed dated May 31, 1894, and recorded June 4, 1894 in Book 64 of deeds at Page 260, less County Roads.



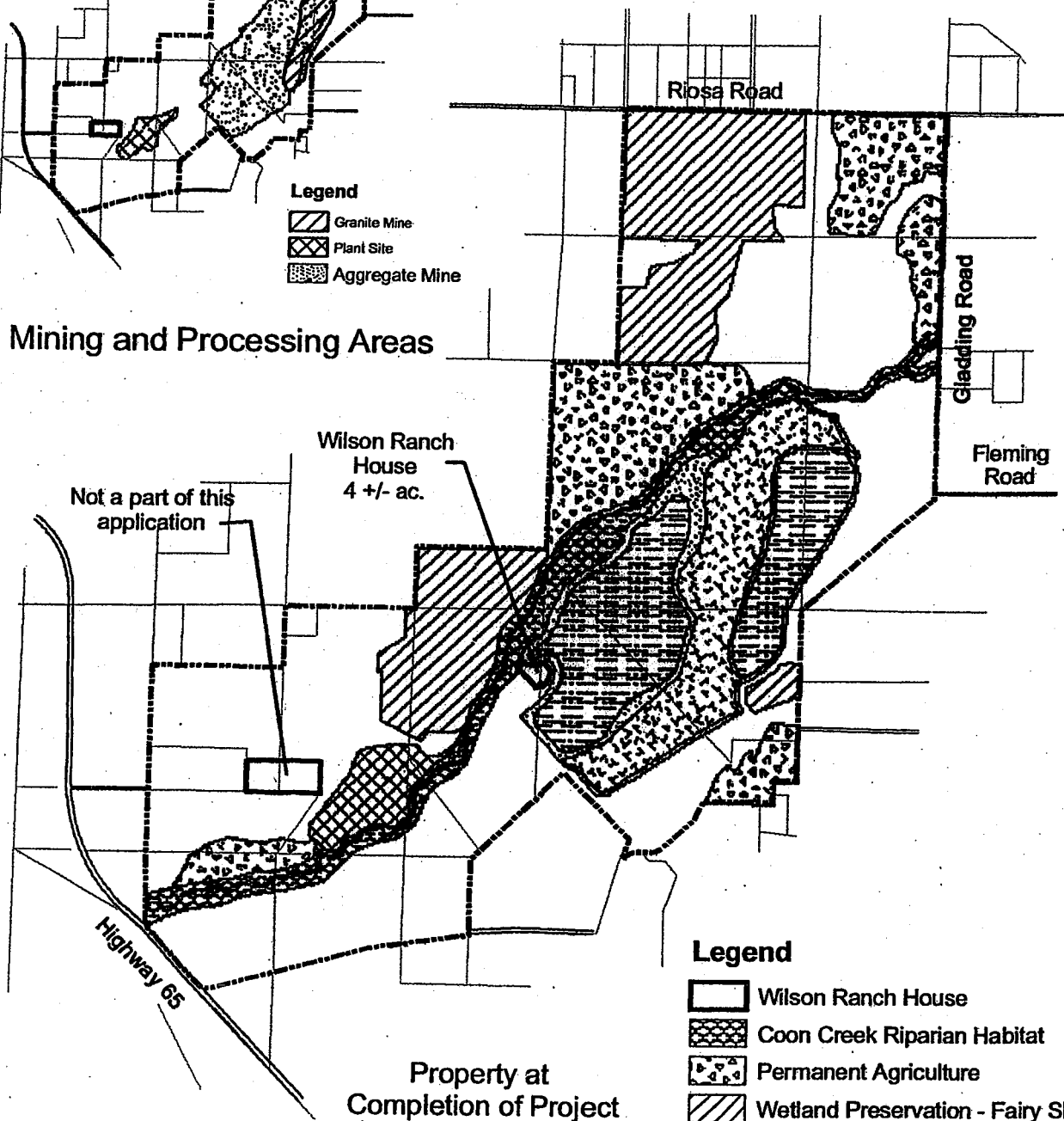


MINING AND PROCESSING AREA

EXHIBIT B

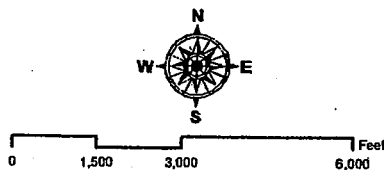


Mining and Processing Areas

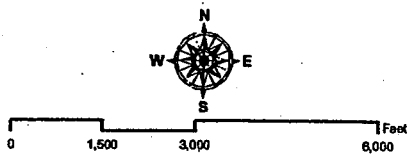
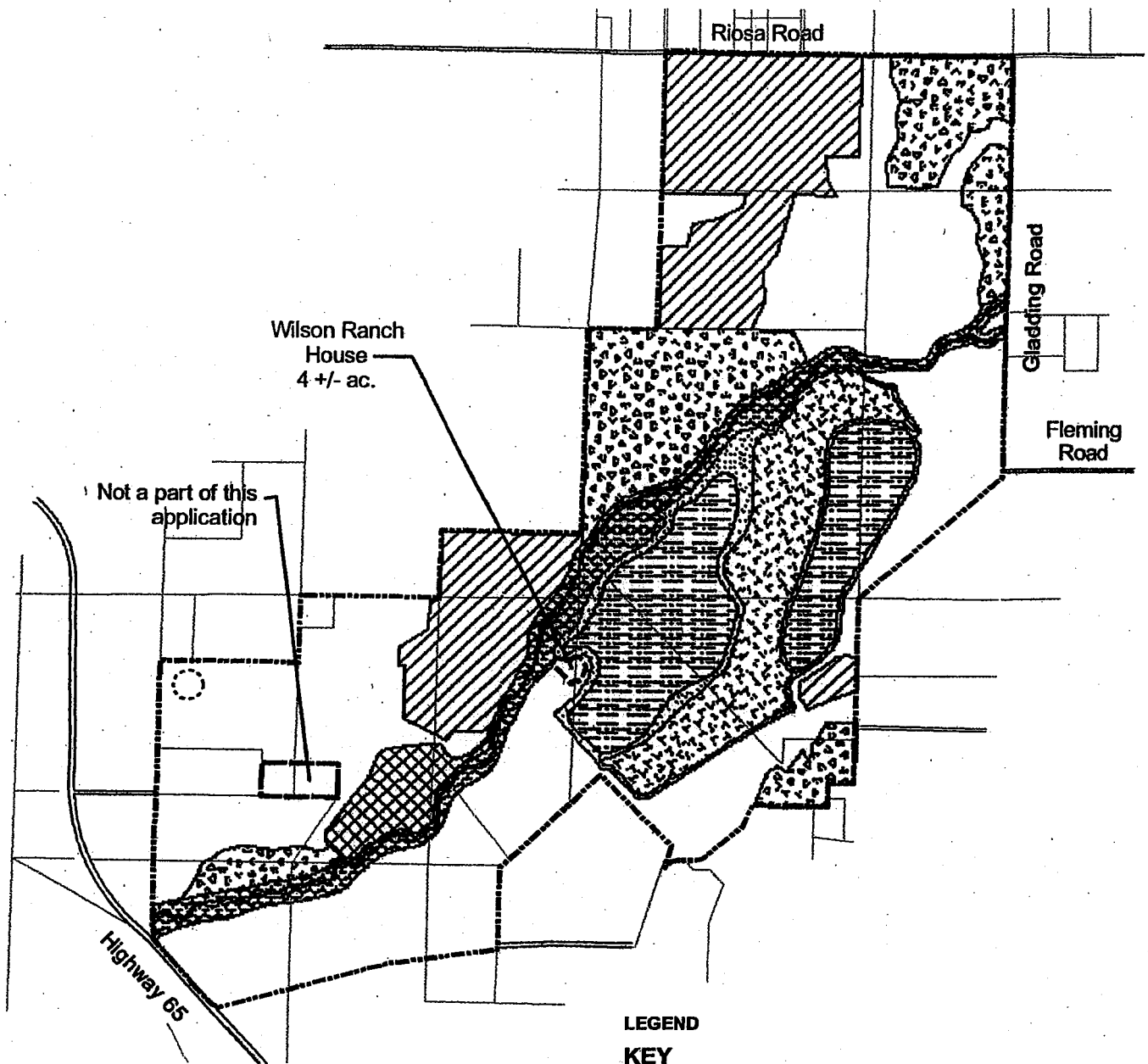


Legend

- Wilson Ranch House
- Coon Creek Riparian Habitat
- Permanent Agriculture
- Wetland Preservation - Fairy Shrimp
- Reclaimed Permanent Agriculture
- Restored Wildlife Habitat
- Reclaimed Grazing Land
- Reclaimed Lakes



PROJECT MAP



LEGEND

KEY

- Reclaimed Permanent Agriculture (3.3.1.3.1)
- Rest Wildlife Habitat (3.3.1.3.2)
- Reclaimed Grazing Land (3.3.1.3.3)
- Reclaimed Lakes (3.3.1.3.4 & 3.3.1.4)
- Coon Creek Riparian Habitat (3.3.1.1)
- Permanent Agriculture (3.3.1.2)
- Wetland Preservation (Fairy Shrimp) (3.3.1.2)
- Wilson Ranch House (3.3.1.1.2)
- Area in which Environmental Health 15,000 sf. Easement can be located (3.3.1.6.)

EASEMENT & DEDICATION MAP

EXHIBIT D

EXHIBIT E

RECORDING REQUESTED BY:
MAIL TO:

Space Above this Line for Recorder's Use Only

SAMPLE COON CREEK NATURE PRESERVE CONSERVATION EASEMENT DEED

THIS CONSERVATION EASEMENT DEED ("**Conservation Easement**") is made this _ day of _____, 200_, by Teichert, Inc., a California Corporation, Teichert Land Co., a California Corporation, and Sutter Bypass Properties, Inc., also a California Corporation ("**Grantor**" or **Teichert**") in favor of the COUNTY OF PLACER, a subdivision of the state of California ("**Grantee**" or the "**County**"), with reference to the following facts:

Recitals

A. Grantor is the sole owner in fee simple of certain real property in the County of Placer, State of California, more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").

B. The Property possesses wildlife, habitat, cultural, historical, interpretative, and educational values, as further defined in this paragraph, (collectively, "**Conservation Values**") of great importance to Grantor, Grantee, the people of Placer County and the people of the State of California. Specifically, the Property features ecological communities, including the habitat upon which wild animals, birds, plants, fish and amphibians depend for viability.

C. Grantor and Grantee have entered in to a Development Agreement known as the "Teichert Aggregate Facility Development Agreement" ("**Development Agreement**"). The grant of this property interest to the Grantor by Grantee is being made subject to said agreement.

D. Grantor and Grantee acknowledge that certain activities and reservations in this Grant are not completely compatible with the management of a nature preserve. Nevertheless, the benefits of this property interest to the public greatly exceed any detriment caused by these activities and reservation rights.

E. This Grantor contemplates that the County and the Coon Creek Conservancy, a California nonprofit organization ("**Conservancy**") will enter into an agreement regarding management of the Coon Creek Nature Preserve ("**Management Agreement**"). Pursuant to said agreement, the Conservancy will

act as manger ("**Manager**") and manage the Property as a Nature Preserve. The Management Agreement and this Conservation Easement are intended by the Grantor, Grantee, and the Conservancy to be interpreted in a manner consistent with each other and the Development Agreement. To the extent allowed by law, in the event of any unresolvable inconsistency, the language of the Development Agreement shall take precedence over this Conservation Easement and this Conservation Easement shall take precedence over the language in the Management Agreement.

F. Grantor intends to convey to Grantee the right of preserve and protect the Conservation Values of the Property in perpetuity subject to the terms and conditions of the Development Agreement, this Conservation Easement, and the Management Agreement.

G. Grantee agrees by accepting this Conservation Easement to honor the intentions of Grantor stated herein and to preserve and to protect in perpetuity the Conservation Values of the Property in accordance with the terms of this Conservation Easement and the Management Agreement for the benefit of this generation and the generations to come.

Covenants, Terms, Conditions and Restrictions

1. Purpose. The purpose of this Conservation Easement is to preserve, protect and maintain the Conservation Values and interpretive values of the Property in a manner consistent with the covenants, terms, conditions and restrictions of the Development Agreement, this Conservation Easement and the Management Agreement. This Conservation Easement is intended to ensure the Property will be retained forever in a condition suitable for the on-going operation of the Nature Preserve, subject to the terms and conditions set forth significantly impair or interfere with the interpretive operations and the Conservation Values of the Property enumerated in the Recitals. Grantor intends that this Conservation Easement will confine the use of the Property to such activities, including, without limitation, those involving the preservation and enhancement of the Property in a manner consistent with the Conservation Values of this Conservation Easement and the goals, Subject to the terms and conditions herein set forth, Grantor and all successors and assigns under this Conservation Easement covenant with Grantee to do or refrain from doing, severally and collectively, the acts mentioned later in this Conservation Easement. Subject to the terms and conditions herein set forth, Grantee is conveyed the rights enumerated in this Conservation Easement for itself and its successors, agents and assigns.

2. Grantee's Rights. To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee by this Conservation Easement.

2.1 Protection of Conservation Values. To preserve and protect the Conservation Values and other values of the property.

2.2 Entrance Upon Property. This Conservation Easement does not convey a general right of access to the public; however, access for monitoring terms and purposes of this Conservation Easement shall be reserved to Grantee or to the designee of Grantee. Access to the Property shall be subject to the conditions set forth in this Section 2.2 and its accompanying subsections.

2.2.1. At any time when Manager and Grantee are not the same entity, to enter upon the Property after verbal notification by Grantee to the Manager's message center within the 24-hour period immediately preceding Grantee's entrance upon the Property, in order to monitor compliance with and to otherwise enforce the terms of this Conservation Easement.

2.2.2. No access to the public shall be permitted by Grantee or Manager on the property until such time as Grantee and Manager have entered into the Management Agreement subject to Grantor's approval providing for the terms of public access as well as for indemnification of Grantor and Grantee and Manager has obtained adequate insurance as required by the Development Agreement.

2.2.3. Nothing in this Conservation Easement shall limit the rights of the Grantor, Manager or Grantee from agreeing to access to the Property without advance notice under mutually satisfactory written terms. Grantee shall not be allowed to maintain any locks on gates entering the Property. Grantee shall be allowed access through any locks on gates purchased and maintained by Grantor or the Manager.

2.3. Prevention of Inconsistent Activities. Except for such activities and rights reserved by Grantor and to the extent permitted by applicable law, to prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement, or the Management Agreement and to take such actions necessary, appropriate and responsible to accomplish the restoration of those areas or features of the Property that may have been damaged by any act, failure to act or any use that is inconsistent with the purposes of this Conservation Easement.

2.4. Development. To relinquish all present and future development rights for the Property, except as provided below in Section 5.

3. Prohibited Uses. To the extent permitted by applicable law, any activity on or use of the Property inconsistent with the purposes, terms, conditions, or restrictions of this Conservation Easement or the Management Agreement is prohibited, except as provided for in this Easement.

4. Preventative Measures. The Manager and Grantor and Grantor's successor will undertake such actions as determined to be reasonable and lawful under the circumstances to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation, interpretive, cultural values and improvements on the Property.

5. Reserved Rights. Grantor reserves to itself and to each of its personal representatives, heirs, successors and assigns, all rights accruing from its ownership of the Property, all rights not otherwise conveyed hereby, the right to convey the remaining interest in the Property so long as the conveyance is in a manner that does not interfere with the Purposes of this Conservation Easement, the right to engage in or permit or invite others to engage in all uses of the Property that are not prohibited herein and are not inconsistent with the purposes, terms, conditions or restrictions of this Conservation Easement, or the Management Agreement. Grantor hereby reserves to itself, and to its personal representatives, heirs, successors and assigns, certain rights. These rights are as follow:

5.1 Conveyor Systems. Grantor reserves the right, and the Grantee agrees that Teichert shall have the right, to construct maintain the facilities described below:

5.1.1. Conveyor Systems. Grantor shall have the right, but not the obligation, to construct and maintain conveyor systems, maintenance roads and security fencing (collectively, the "**Conveyor Systems**") for the transport of aggregate material and reclamation related activities in the locations generally shown on **Exhibit B**. Grantor shall remove the Conveyor Systems no later than the County's return to Teichert of the Financial Assurance guaranteeing reclamation pursuant to state law and the Development Agreement. Upon the removal of the Conveyor Systems, Grantor shall quitclaim to the Grantee, or the Grantee's successor in interest, the interest reserved in this Conservation Easement by Grantor to have the right to construct and maintain the Conveyor Systems.

5.1.2. Rights Related to Conveyor Systems and Other Activities.

The rights established to Grantor under this Conservation Easement also include a reservation to Grantor and its subsidiaries to access and use the Property for the following terms:

5.1.2.1. The right to a 50-foot wide strip for ingress and egress over, under and/or across the Property for use as a service-transport roadway and to install, maintain and utilize a conveyor system with setback, to transport mined aggregate;

5.1.2.2 Should the Conveyor Systems ever fail to function or Grantor deem it necessary to stop the Conveyor Systems for extension, repair, maintenance or upgrade, the right to use the existing roads for ingress or egress to and from the Property for the purpose of transporting mined aggregate, until Grantor determines said extensions, maintenance, repairs or upgrades to be complete and;

5.1.2.3. The obligation to perform required maintenance and upkeep, including tree removal, pruning of limbs and necessary fire prevention measures, of the roadway, Conveyor Systems and setback areas which are encompassed within the Conveyor Systems area.

5.2 Reservation of Rights by Teichert. Grantor reserves the following rights until such time as Grantor, in its sole discretion, determines to quitclaim these rights to the Grantee.

5.2.1. Personal Rights of Grantor.

5.2.1.1. Water Rights. Grantor reserves the water rights associated with the Property and the right to use and maintain existing dams and conveyance systems and the right to construct and maintain water conveyance facilities on the Property. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the Grantee's or Manager's right to use water on the Property for purposes consistent with this Easement.

5.2.1.2. Private Tours. Grantor reserves the right to conduct or hold private tours of the Property, consistent with the goals of this Conservation Easement. In order to exercise this right, Grantor shall provide at least 72 hours advance notice to Grantee or the Manager. The

County or the Conservancy may waive this notice requirement in unusual circumstances.

5.2.1.3. Mineral Rights. Grantor reserves all mineral, oil and gas rights the use of which is subject to Section 5.3, below.

5.2.1.4. Transferability of Personal Rights. Grantor may transfer its Personal Rights under this Section 5.2.1 to any Teichert subsidiary or affiliate at any time without the permission of the County. No other transfer of these Personal Rights is permitted.

5.2.1.5. Compliance with Project Approvals. Grantor reserves the rights to the extent necessary in order to comply with the conditions of approval for Conditional Use Permit No. 2781 and Variance No. 3806, the Development Agreement and the Mitigation Monitoring Plan approved by the County, including, but not limited to the installation of fish ladders, monitoring stations, wells, stream gages and other obligations of the Coon Creek Restoration Plan.

5.2.2. Easement Appurtenant Rights Held By Grantor.

5.2.2.1. Access Rights. Grantor reserves an easement appurtenant to adjacent property over the existing and any new bridge over Coon Creek and the existing dirt roads on the Property for ingress or egress to Grantor's adjacent property. Grantor reserves the right to construct a bridge over Coon Creek consistent with Project Approvals.

5.2.2.2. Water. Grantor reserves the water rights associated with the Property and the right, but not the obligation, to use existing dams and conveyance systems and to construct and maintain water conveyance facilities on the Property to provide water to appurtenant property that has rights to such water. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor reserves access rights to such facilities. Grantor may assign the right to use the water. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the Grantee's or Manager's right to use water on the Property for purposes consistent with this Easement.

5.2.2.3. Transferability of Easement Appurtenant Rights. Grantor may transfer any of its Easement Appurtenant Rights held under this Section 5.2.2 to a successor in interest of the dominant tenement only with the express written consent of the County, which consent shall not be withheld so long as the Transfer does not detrimentally impact the Coon Creek Nature Preserve.

5.3. No Surface Mining. Surface entry or entry into the first five hundred (500) feet below the surface of the Property by anyone, including Grantor, its subsidiaries and affiliates, for the mining or extraction of minerals, oil and gas is prohibited.

6.0. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms, conditions or restrictions of this Conservation Easement and the purposes for this Conservation Easement are jeopardized thereby, then Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation. Grantee acknowledges that Grantor's exercise of its Reserved Rights as set forth in Section 5 of this Conservation Easement shall not constitute a violation of this Conservation Easement. If the recipient of the notice fails to cure the violation within 30 days after receipt of said written notice and demand from Grantee, or said cure reasonably requires more than 30 business days to complete and the recipient of the notice fails to begin the cure within the 30 day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by the recipient of the notice with the terms of this Conservation Easement, to recover any damages to which Grantee may be entitled to for violation by recipient of the notice of the terms of this Conservation Easement, to enjoin the violation, by temporary or permanent injunction, or for other equitable relief, including, but not limited to, the restoration of the Property to the condition in which it existed prior to any such violation or injury. Without limiting the recipient of the notice's liability therefor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Property.

6.1 Cost of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Conservation Easement against Grantor, including, without limitation, costs of suit and attorney's fees, and any costs or restoration necessitated by Grantor's violation under the terms of this Conservation Easement shall be borne by Grantor to the extent permitted by law. If Grantor prevails in any action to enforce the terms of this Conservation Easement, Grantor's costs of suit, including, without limitation, costs of suit and attorney's fees and fees for expert witnesses, shall be borne by Grantee to the extent permitted by law.

6.2 Grantee's Discretion. Enforcement of the terms of this Conservation Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any of Grantee's rights under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

6.3 Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor, its successors or the Manager for any injury to or change in the Property resulting from causes beyond the control of Grantor, and/or the Manager, including, without limitation, fire, flood, trespass, storm and earth movement, or from any prudent action taken under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such causes or from any actions taken pursuant to rights reserved under this Conservation Easement.

7. Term of Conservation Easement. This Conservation Easement is intended to be perpetual.

8. Assignment. Grantee shall have the right to transfer its interest in this Conservation Easement to the Conservancy with a right of reversion should the Conservancy cease to exist, decline to continue to hold the easement or fails in the opinion of the County Board of Supervisors to properly fulfill the obligations, duties and responsibilities imposed on the Conservancy by this Conservation Easement or the Management Agreement. In the event that any one of the above conditions occurs, then the County Board of Supervisors, subject to Grantor's or its successor in interest's approval, shall have the right to transfer the Conservancy's interest in this Conservation Easement to any other organization or entity who qualifies under California Civil Code Section 815.3, as that Section may be amended from time to time, to hold such interest in conformance with the purposes of this Conservation Easement and the terms, conditions, restrictions of the Management Agreement. Such a conveyance shall be accomplished by recordation by the County Recorder of a notice of conveyance.

9. Incorporation of Terms. Grantor agrees to incorporate the terms of this Conservation Easement in any deed or other legal instrument by which Grantor divests itself of an interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee of the intent to transfer of any interest at least 60 calendar days prior to the date of such transfer.

10. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other (except as provided in Section 2.2) shall be in writing and served personally or sent by first-class mail, postage prepaid, addressed as follows:

To Grantor: Teichert Land Co.
 3500 American River Drive
 P.O. Box 13308
 Sacramento, CA 95813
 Attn: President

To Grantee: County of Placer
 175 Fulweiler Avenue
 Auburn, CA 95603-4581
 Attn: County Executive Officer

or to such other address as any party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first-class mail, five days after the deposit into the United States Mail.

11. Amendment. This Conservation Easement may be amended by the parties by mutual written agreement. Any such amendment shall be consistent with the purposes of this Conservation Easement and the Management Agreement and shall not affect its perpetual duration. Any such amendment shall be recorded in the Official Records of Placer County, State of California.

12. General Provision.

12.1 Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California.

12.2 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the deed to effect the purpose of this Conservation Easement and the policy and purpose of Civil Code 815, et seq. If any provision of this instrument is found to be ambiguous, the interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

12.3 Severability. If any court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action should not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to other persons or circumstances.

12.4 No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

12.5 Non-liability of Officials, Employees and Agents. No member, official, employee or agent of any Party shall be personally liable for any damages related to any default or breach by any other Party, or for any obligations under the terms of this Conservation Easement.

12.6 Successors. The covenants, terms, conditions and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Property.

12.7 Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer or conveyance of that party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

12.8 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

12.9 Recordation. Grantee shall have this Conservation Easement recorded in the Official Records of Placer County.

12.10 Exhibit List.

[list exhibits here]

IN WITNESS WHEREOF, the parties have executed this Conservation Easement Grant as of the ____ day of _____, 200__, at _____, California.

GRANTOR:

By _____

Its _____

By _____

Its _____

GRANTEE:

By _____

Chairman,
Board of Supervisors

Attest:
Clerk of the Board

By _____

EXHIBIT F

RECORDING REQUESTED BY:
MAIL TO:

Space Above this Line for Recorder's Use Only

SAMPLE AGRICULTURAL, GRAZING AND OPEN SPACE CONSERVATION EASEMENT

This Agricultural, Grazing and Open Space Conservation Easement Grant ("**Conservation Easement Grant**") is made this ____ day of _____, 200__, by _____ ("**Grantor**"), in favor of County of Placer, a political subdivision of the State of California, (hereinafter "**Grantee**").

RECITALS

A. Grantor is the sole owner in fee simple of that certain real property in the County of Placer, State of California, designated as all or a portion of Assessor's Parcel Nos _____, more particularly described in **Exhibit A** and incorporated herein by this reference (the "**Property**").

B. The Property consists of land in the vicinity of Grantor's aggregate mining operations in Placer County (the "**Mining Operations**") on its Teichert Aggregate Facility ("**Project**"), governed by permit _____ (collectively, the "**Permits**").

C. Grantor represents that the Property will consist of _____ acres of "prime agricultural land" and _____ acres of "non-prime agricultural land" as such terms are defined by the Williamson Act. [**Varies with Section of Development Agreement - 3.3.1.2 = 461 acres prime as lands under Williamson Act converted, 3.3.1.3.1 = 244 acres prime under Williamson Act, Department of Conservation and Natural Resource Conservation Service after reclamation - 3.3.1.3.3 = 76 acre non prime grazing land after reclamation**]]

D. Grantor has entered into a Development Agreement with Grantee which pursuant to Section [**Varies with Section of Development Agreement - 3.3.1.2 = 461 acres prime as lands under Williamson Act converted, 3.3.1.3.1 = 244 acres prime under Williamson Act, Department of Conservation and Natural Resource Conservation Service after reclamation - 3.3.1.3.3 = 76 acre non prime grazing land after reclamation**] _____ of such agreement requires the placement of permanent agricultural preservation easements on _____ acres of "prime agricultural land" and _____ acres of "non-prime agricultural land," as such terms are defined by the Williamson Act, as an appropriate mitigation measure for the permanent loss of agricultural lands by mining.

E. Grantor desires to grant the Conservation Easement being conveyed by this Conservation Easement Grant (the "**Conservation Easement**") to Grantee in

satisfaction of Development Agreement Section [3.3.1.2 – 3.3.1.3.1 - 3.3.1.3.3] _____ and Permit Conditions [**Will be inserted once conditions are finalized**] _____. Grantee and Grantor recognize that this Conservation Easement Grant is subject to certain activities and reservations of rights by Grantor which both Grantor and Grantee recognize are not completely compatible with the purposes of this Conservation Easement Grant. Nevertheless, the benefits of this Conservation Easement Grant greatly exceed any detriment caused by these activities and reservations of rights.

F. By accepting this Conservation Easement Grant, Grantee agrees that Development Agreement Section [3.3.1.2 – 3.3.1.3.1 - 3.3.1.3.3] _____ and Permit Conditions [**Will be inserted once conditions are finalized**] _____ will have been met with respect to Grantor's mining activities under the Permits when all of the Easement Property requiring reclamation has been fully reclaimed under applicable law ("Reclamation").

NOW, THEREFORE, in consideration of the foregoing and the covenants, terms, conditions and restrictions contained herein, and pursuant to the laws of California and Civil Code Sections 815, et seq., Grantor hereby voluntarily grants and conveys to Grantee a Conservation Easement in perpetuity over the Easement Property of the nature and character and to the extent hereinafter set forth.

1. Purpose. It is the purpose of this Conservation Easement Grant to assure that the Easement Property will be available forever to be utilized for agricultural and open space uses which are consistent with and/or allowed [3.3.1.2 - **for prime agricultural land under the Williamson Act as it exists as of the date of this Grant** – 3.3.1.3.1 - **for prime agricultural land pursuant to the Williamson Act, Department of Conservation and Natural Resource Conservation Service as it exists as of the date of this Grant** – 3.3.1.3.3 - **pursuant to standard grazing operations**]

2. Rights of Grantee. To accomplish the purpose of this Conservation Easement Grant, the following rights are conveyed to Grantee by this Conservation Easement Grant:

2.1 Protection of Agricultural Conservation Values. To preserve and protect the Agricultural and open space values of the Property.

2.2 Entrance Upon Property. Grantee is limited to access to Property for review of compliance of Conservation Easement terms upon 72 hour notice to Grantor and as provide below in Section 6.

2.3 Prevention of Inconsistent Activities. Except for such activities and rights reserved by Grantor and to the extent permitted by applicable law, to prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement, and to take such actions necessary, appropriate and responsible to accomplish the restoration of those areas or features of the Property that may have been damaged by any act, failure to act or any use that is inconsistent with the purposes of this Conservation Easement.

3. Prohibited Uses. To the extent permitted by applicable law, any activity on or use of the Property inconsistent with the purposes, terms, conditions, or restrictions of this Conservation Easement is prohibited, except as provided for in this Easement.

4. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors and assigns, all rights accruing from its ownership of the Easement Property, including the right to engage in or permit or invite others to engage in all uses of the Easement Property that are not prohibited herein and are not inconsistent with the purposes of the Conservation Easement. Without limiting the generality of the foregoing, Grantor reserves the following rights:

4.1. Personal Rights of Grantor.

4.1.1. Water Rights. Grantor reserves the water rights associated with the Property and the right to use and maintain existing dams and conveyance systems and the right to construct and maintain water conveyance facilities on the Property. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the purposes consistent with this Conservation Easement.

4.1.2. Private Tours. Grantor reserves the right to conduct or hold private tours of the Property, consistent with the goals of this Conservation Easement.

4.1.3. Mineral Rights. Grantor reserves all mineral, oil and gas rights.

4.1.4. Transferability of Personal Rights. Grantor may transfer its Personal Rights under this Section to any Teichert subsidiary or affiliate at any time without the permission of the County. No other transfer of these Personal Rights is permitted.

4.1.5. Compliance with Project Approvals. Grantor reserves the rights to the extent necessary in order to comply with the conditions of approval for Conditional Use Permit No. 2781 and Variance No. 3806, the Development Agreement and the Mitigation Monitoring Plan approved by the County, including, but not limited to the installation of fish ladders, monitoring stations, wells, stream gages and other obligations of the Coon Creek Restoration Plan.

4.2. Easement Appurtenant Rights Held By Grantor.

4.2.1. Access Rights. Grantor reserves an easement appurtenant to adjacent property over the existing and any new

bridges over any existing or new roads on the Property for ingress or egress to Grantor's adjacent property.

4.2.2. Water. Grantor reserves the water rights associated with the Property and the right, but not the obligation, to use existing dams and conveyance systems and to construct and maintain water conveyance facilities on the Property to provide water to appurtenant property that has rights to such water. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor reserves access rights to such facilities. Grantor may assign the right to use the water. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the purposes consistent with this Conservation Easement.

4.2.3. Transferability of Easement Appurtenant Rights. Grantor may transfer any of its Easement Appurtenant Rights held under this Section to a successor in interest of the dominant tenement only with the express written consent of the County, which consent shall not be withheld so long as the Transfer does not detrimentally impact the purpose of this Conservation Easement.

5. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Conservation Easement Grant or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation. If Grantor fails to cure the violation within 30 days after receipt of said written notice and demand from Grantee, or said cure reasonably requires more than 30 days to complete and Grantor fails to begin the cure within the 30-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Conservation Easement Grant, to recover any damages to which Grantee may be entitled for violation by Grantor of the terms of this Conservation Easement Grant, or for other equitable relief, including, but not limited to, the restoration of the Easement Property to the condition in which it existed prior to any such violation or injury. Without limiting Grantor's liability therefor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Easement Property. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including, but not limited to, the remedies set forth in Civil Code Sections 815, et seq., inclusive.

5.1. Relief. If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Easement Property, Grantee may pursue its remedies under this Section 5 without prior notice to Grantor without waiting for the period provided for cure to expire.

5.2. Attorneys' Fees. In the event any action or proceeding is brought to enforce any provision of this Conservation Easement Grant, the prevailing party in such action or proceeding shall be entitled to reasonable attorneys' fees and reimbursement of all other costs and expenses.

5.3. Grantee's Discretion. Enforcement of the terms of this Conservation Easement Grant shall be at the discretion of Grantee and any forbearance by Grantee to exercise its rights under this Conservation Easement Grant in the event of a breach of any term of this Conservation Easement Grant by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Conservation Easement Grant or of any of Grantee's rights under this Conservation Easement Grant. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver. Notwithstanding any other provision of this Conservation Easement Grant, Grantee shall not be obligated to remediate any violation of this Conservation Easement Grant.

5.4. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement Grant shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Easement Property resulting from causes beyond Grantor's reasonable control, including, without limitation, trespass, fire, drought, flood, pestilence, storm and earth movement or other natural causes, or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Easement Property resulting from such causes.

6. Access.

6.1. Generally. This Conservation Easement Grant does not convey any right of access to Grantee except for the purposes of monitoring compliance as described in Section 2 above. This Conservation Easement Grant does not convey general right of access to the public and Grantor shall have the right to prohibit public access to the Easement Property.

6.2. Other Arrangements. Nothing in this Conservation Easement Grant shall limit Grantor's and Grantee's rights to agree to access in addition to that provided for in Section 2.1, under mutually satisfactory written terms. Grantee shall not be allowed to maintain any locks on gates entering the Easement Property. Grantee shall be allowed access through any locks on gates purchased and maintained by Grantor. Grantor's consent to access by Grantee shall not be unreasonably withheld.

7. Costs and Liabilities. Unless otherwise provided in this Conservation Easement Grant, Grantor retains all responsibilities and shall bear all costs and liabilities of any kind, including transfer costs, and costs related to the ownership and operation of the Easement Property.

8. Condemnation. The uses of the Easement Property allowed hereunder are presumed to be the best and most necessary uses as defined in Code of Civil Procedure Section 1240.680, notwithstanding Code of Civil Procedure Sections 1240.690 and 1240.700.

9. Assignment by Grantee. The Conservation Easement is transferable, but Grantee may assign its rights and obligations under this Conservation Easement Grant only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements under Civil Code Sections 815, et seq. (or any successor provision then applicable). As a condition of such transfer, Grantee shall require that the conservation purposes that this Conservation Easement Grant is intended to advance continue to be carried out. Except as set forth below in this Section 9, after such transfer Grantee shall no longer have any liability or responsibility under this Conservation Easement Grant. After such transfer, should the transferee no longer exist or should the County determine that the transferee is not satisfactorily fulfilling its required duties, then the Conservation Easement shall revert to Grantee.

10. Subsequent Transfers by Grantor. Grantor agrees to incorporate, by reference, the terms of this Conservation Easement Grant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Easement Property, including, without limitation, a leasehold interest. Grantor shall not convey the Easement Property without the written consent of Grantee, except that the Easement Property may be conveyed without Grantee's consent, but upon written notice to Grantee, when the conveyance is: (a) a transfer to a Grantor affiliate; (b) part of a sale, merger, annexation, consolidation or other acquisition of Grantor by another entity; or (c) to secure a debt under the provision of any mortgage, deed of trust, indenture, bank credit agreement or similar instrument, provided that Grantee shall not be required to subordinate this Conservation Easement Grant to any such security instrument. Grantee's consent to a conveyance shall not be unreasonably withheld.

11. Estoppel Certificates. Upon written request by Grantor, Grantee shall, within 15 days after receipt of such request, execute and deliver to Grantor any document, including estoppel certificates, which certifies Grantor's compliance or noncompliance with any obligation of Grantor contained in this Conservation Easement Grant and otherwise evidences the status of this Conservation Easement Grant as may be requested by Grantor.

12. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other shall be in writing and shall be either served personally or sent by first-class mail, postage prepaid, addressed as follows:

Grantor:

Teichert Land Co.

3500 American River Drive
P.O. Box 13308
Sacramento, CA 95813
Attn: President

Grantee:

County of Placer
175 Fulweiler Avenue
Auburn, CA 95603-4581
Attn: County Executive Officer

or to such other address as either party from time to time shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first-class mail, five days after deposit into the United States mail.

13. Recordation. Grantee shall promptly record this instrument in the official records of Placer County, California, and immediately notify Grantor through the mailing of a conformed copy of the recorded easement. Grantee may rerecord it at any time as may be required to preserve its rights in this Conservation Easement Grant.

14. Extinguishment. Grantor hereby waives its right to request extinguishment of this Conservation Easement Grant. If permitted by applicable law, this Conservation Easement Grant may only be extinguished by Grantee, if 1) there is a mutual written agreement between Grantor and Grantee, and 2) the Grantee holds a public hearing and finds that an alternative perpetual agricultural/open space conservation easement has been granted in the name of Grantee at an alternative location, which provides conservation values that satisfy the specific purposes of this Conservation Easement Grant, as stated in the Recitals. In the event that Grantee has assigned its rights to another entity pursuant to Section 9 of this Agreement, extinguishment of this Conservation Easement Grant shall only be permitted, if 1) there is a mutual written agreement between Grantor and Grantee's Transferee, and 2) the Grantee holds a public hearing and finds that an alternative perpetual agricultural/open space conservation easement has been granted in the name of Grantee's Transferee at an alternative location, which provides conservation values that satisfy the specific purposes of this Conservation Easement Grant, as stated in the Recitals.

15. Amendment. This Conservation Easement Grant may be amended by the parties by mutual written agreement. Any such amendment shall be consistent with the purposes of this Conservation Easement Grant and, except as provided in

Section 14, shall not affect its perpetual duration. Any such amendment shall be recorded in the Official Records of Placer County, State of California.

16. Indemnification.

16.1. Indemnification by Grantee. Except for a failure by Grantee to enforce the terms of this Conservation Easement Grant against Grantor, Grantee shall indemnify, defend and save Grantor, its affiliates and their officers, employees and agents harmless from and against any and all claims, demands, actions, damages, liability and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, personal injury and/or damage to property arising from or connected with the activities conducted by Grantee, its elected representatives, officers, contractors, employees, agents, volunteers or invitees on the Property pursuant to this Conservation Easement Grant, or from any breach or default on the part of Grantee in the performance of any covenant or agreement on the part of Grantee to be performed pursuant to this Conservation Easement Grant.

16.2. Indemnification by Grantor. Grantor shall indemnify, defend and save Grantee, its elected representatives, officers, contractors, employees, agents, volunteers or invitees harmless from and against any and all claims, demands, actions, damages, liability and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, personal injury and/or damage to property arising from or connected with the activities conducted by Grantor, its officers, invitees, volunteers, contractors, employees or agents on the Property pursuant to this Conservation Easement Grant, or from any breach or default on the part of Grantor in the performance of any covenant or agreement on the part of Grantor to be performed pursuant to this Conservation Easement Grant.

17. General Provisions.

17.1. Controlling Law. The interpretation and performance of this Conservation Easement Grant shall be governed by the laws of the State of California.

17.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement Grant shall be liberally construed in favor of the grant to effect the purpose of this Conservation Easement Grant and the policy and purpose of Civil Code Sections 815, et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

17.3. Severability. If any provision of this Conservation Easement Grant or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Conservation Easement Grant, or the

application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

17.4. Entire Agreement. This instrument, including attached exhibits, sets forth the entire agreement of the parties with respect to this Conservation Easement Grant and supersedes all prior discussions, negotiations, understandings or agreements relating to this Conservation Easement Grant. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 15.

17.5. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

17.6. Successors. The covenants, terms, conditions and restrictions of this Conservation Easement Grant shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Easement Property. A party's rights and obligations under this Conservation Easement Grant terminate upon transfer of the party's interest in the Conservation Easement or the Easement Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

17.7. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

17.8. Counterparts. Grantor and Grantee may execute this instrument in two or more counterparts which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling. The signature pages of multiple identical counterparts may be combined for purposes of recording.

17.9. Third-Party Beneficiaries. There are no third-party beneficiaries of this Conservation Easement Grant, except as may be required by applicable law.

17.10. No Partnership. By executing this Conservation Easement Grant, the parties do not intend to form a joint venture or partnership, and no partnership or joint venture shall be deemed to have been formed.

18. Exhibit List.

[list exhibits here]

IN WITNESS WHEREOF, the parties have executed this Conservation Easement Grant as of the ____ day of _____, 200__, at _____, California.

GRANTOR: _____

By _____

Its _____

By _____

Its _____

GRANTEE:

By _____

Chairman,
Board of Supervisors

Attest:
Clerk of the Board

By _____

EXHIBIT G

MAIL TO:

SAMPLE
CONSERVATION EASEMENT DEED
Wetlands Habitat

RECITALS

E. This Conservation Easement is required by the Development Agreement between Teichert and the County of Placer and provides mitigation for certain impacts of the Teichert Aggregate Facility (the "Project") located in the County of

Placer, State of California, pursuant to the Environmental Impact Report certified by the Placer County Board of Supervisors for the Project, and the Mitigation Monitoring Plan created thereunder, and the Clean Water Act section 404 permit issued by the U.S. Army Corps of Engineers _____.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

In consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to California law, including Civil Code Section 815, *et seq.*, Grantor hereby voluntarily deeds and conveys to Grantee a conservation easement in perpetuity over the Property.

1. Purpose. The purpose of this Conservation Easement is to ensure the Property will be retained forever in a natural condition and to prevent any use of the Property that will significantly impair or interfere with the conservation values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to such activities, including without limitation, those involving the preservation and enhancement of native species and their habitat in a manner consistent with the habitat conservation purposes of this Conservation Easement.

2. Grantee's Rights. To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee by this Conservation Easement Deed:

- (a) To preserve and protect the conservation values of the Property;
- (b) To enter upon the Property at reasonable times in order to monitor Grantor's compliance with and to otherwise enforce the terms of this Conservation Easement and for scientific research and interpretive purposes by Grantee or its designees, provided that Grantee shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property;
- (c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use by the Grantor that is inconsistent with the purposes of this Conservation Easement;
- (d) All surface mineral, air and water rights necessary to protect and to sustain the biological resources of the Property; and
- (e) All present and future development rights.

3. Prohibited Uses. Any activity on or use of the Property inconsistent with the purposes of this Conservation Easement is prohibited unless required by a public agency for fire hazard management or mosquito abatement purposes. Without limiting the generality of the foregoing, the following uses by Grantor, Grantor's agents, and

third parties under Grantor's control, are expressly prohibited unless approved in writing by the Grantee or required by a public agency for fire hazard management or mosquito abatement purposes:

[list prohibited activities here]

4. Grantor's Duties. Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation values of the Property. If Grantor undertakes all reasonable actions to prevent the unlawful entry and trespass by persons, Grantee will not hold Grantor or its subsidiaries liable for degradation or harm to the conservation values of the Property stemming from trespass behavior. In addition, Grantor shall undertake all necessary actions to perfect Grantee's rights under section 2 of this Conservation Easement, including but not limited to, Grantee's water rights.

5. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from its ownership of the Property, including the right to engage in or to permit or invite others to engage in all uses of the Property that are consistent with the purposes of this Conservation Easement. Nothing contained in this Conservation Easement shall be deemed to be a gift or dedication of any portion of the Property described in this Conservation Easement to the general public or for the general public for any public access whatsoever. This Conservation Easement does not convey a general right of access to the public. In addition, Grantor reserves the following specific rights:

[List reserved rights – e.g., access, water, water conveyance, grazing management plan]

6. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Conservation Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation. If Grantor fails to cure the violation within thirty (30) days after receipt of said written notice and demand from Grantee, or said cure reasonably requires more than thirty (30) days to complete and Grantor fails to begin the cure within the thirty (30) day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Conservation Easement, to recover any damages to which Grantee may be entitled for violation by Grantor of the terms of this Conservation Easement, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief, including, but not limited to, the restoration of the Property to the condition in which it existed prior to any such violation or injury. Without limiting Grantor's liability therefor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Property.

If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Property, Grantee may pursue its remedies under this paragraph without giving

Grantor actual notice or without waiting for the cure period to expire. Grantee agrees to use its best efforts to give Grantor notice before entering the Property. Grantee's rights under this paragraph apply equally to actual or threatened violations of the terms of this Conservation Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in Civil Code Section 815, *et seq.*, inclusive.

If at any time in the future Grantor or any subsequent transferee uses or threatens to use such lands for purposes inconsistent with this Conservation Easement, notwithstanding Civil Code Section 815.7, the California Attorney General or any entity or individual with a justiciable interest in the preservation of this Conservation Easement has standing as interested parties in any proceeding affecting this Conservation Easement.

6.1 Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Conservation Easement against Grantor, including, but not limited to, costs of suit and reasonable attorneys' fees, and any costs of restoration necessitated by Grantor's violation or negligence under the terms of this Conservation Easement shall be borne by Grantor. If either party commences an action against the other party arising out of or in connection with this Conservation Easement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit to the extent permitted by law.

6.2 Grantee's Discretion. Enforcement of the terms of this Conservation Easement by Grantee shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any of Grantee's rights under this Conservation Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

6.3 Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

7. Fence Maintenance. Grantor shall maintain existing fences around the Conservation Easement area that protect the conservation values of the Property.

8. Access. This Conservation Easement does not convey a general right of access to the public.

9. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property unless Grantee accepts fee title to the Property pursuant to subsection 15(g) of this Conservation Easement.

9.1 Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request unless Grantee accepts fee title to the Property pursuant to subsection 15(g) of this Conservation Easement.

9.2 Hold Harmless: Grantor. Grantor shall hold harmless, indemnify, and defend Grantee and its directors, officers, employees, agents, contractors, and representatives (collectively "Grantee's Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or the death of any person, or physical damages to any property, resulting from any act, omission, condition, or other matter related to or occurring on the Property, regardless of cause, unless due to the negligence of any of Grantee's Indemnified Parties; (2) the obligations specified in Sections 4, 9, and 9.1; and (3) the existence or administration of this Conservation Easement. Grantee's non-employee agents, contractors, and representatives must provide Grantor with proof of workers' compensation and automobile insurance, and name Teichert, Inc. and its subsidiaries as additional insureds with waivers of subrogation, before entering the Property.

9.3. Hold Harmless: Grantee. Pursuant to Fish and Game Code section 2056, Grantor or its directors, officers, employees, agents, contractors, and representatives (collectively "Grantor's Parties") shall not be liable for civil damages for any death or injury to Grantee's employees, non-employee agents, contractors or representatives that occurs on the Property.

9.4 Condemnation. The purposes of the Conservation Easement are presumed to be the best and most necessary public use as defined at Civil Procedure Code Section 1240.680 notwithstanding Civil Procedure Code Sections 1240.690 and 1240.700.

10. Assignment. This Conservation Easement is transferable, but Grantee may assign its rights and obligations under this Conservation Easement only to an entity or organization authorized to acquire and hold conservation easements pursuant to Civil Code Section 815.3. Grantee shall require the assignee to assume any and all obligations and to record the assignment in Placer County.

11. Subsequent Transfers. Grantor agrees to incorporate the terms of this Conservation Easement in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee of the intent to transfer of any interest at least fifteen (15) days prior to the date of such transfer. Grantee shall have the right to prevent subsequent transfers in which prospective subsequent claimants or transferees are not given notice of the covenants, terms, conditions and restrictions of this Conservation Easement. The failure of Grantor or Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

12. Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and be served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Teichert Land Co.
 3500 American River Drive
 P.O. Box 13308
 Sacramento, CA 95813
 Attn: President

To Grantee: **Grantee address here**

or to such other address as either party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first class mail, five (5) days after deposit into the United States mail.

13. Extinguishment. This Conservation Easement may be extinguished by Grantor and Grantee by mutual written agreement upon the request of either party only after the requesting party acquires and records a perpetual conservation easement in the name of the State of California at an alternative location, which provides conservation values that satisfy the specific mitigation purposes of this Conservation Easement as stated in Paragraph E. Any such agreement shall be subject to the review and approval of Placer County.

14. Amendment. This Conservation Easement may be amended by Grantor and Grantee by mutual written agreement. Any such amendment shall be consistent with the purposes of this Conservation Easement and, except as provided in Section 13, shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Placer County, State of California.

15. General Provisions.

(a) Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the deed to effect the purpose of this Conservation Easement and the policy and purpose Civil Code Section 815, *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement Deed, such action shall not affect the remainder of this Conservation Easement Deed. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to Deed to a person or circumstance, such action shall not affect the application of the provision to other persons or circumstances.

(d) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 14.

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Conservation Easement Deed shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property.

(g) Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer. If Grantor offers to convey the property in fee title, Grantee will consider accepting fee title to the Property. If Grantee agrees to accept fee title to the Property, the parties shall negotiate in good faith to reach an agreement as to the appropriate endowment that Grantor will establish to fund Grantee's management of the Property before the parties' rights and obligations terminate under this Conservation Easement.

(h) Captions The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

(i) Counterparts. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

IN WITNESS WHEREOF Grantor and Grantee have entered into this Conservation Easement the day and year first above written.

GRANTOR:

BY: _____
ITS: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Conservation Easement Deed by _____, dated _____, to the _____, grantee, acting by and through its _____, a governmental agency (under Government Code section 27281), is hereby accepted by the undersigned officer on behalf of the Department, pursuant to authority conferred by resolution of the _____ on _____.

GRANTEE:

By: _____
Title: _____
Authorized Representative
Date: _____

EXHIBIT H

RECORDING REQUESTED BY:
MAIL TO:

Space Above this Line for Recorder's Use Only

SAMPLE OPEN SPACE AND HABITAT CONSERVATION EASEMENT

This Open Space and Habitat Conservation Easement Grant ("**Conservation Easement Grant**") is made this ____ day of _____, 200__, by _____ ("**Grantor**"), in favor of County of Placer, a political subdivision of the State of California, (hereinafter "**Grantee**").

RECITALS

A. Grantor is the sole owner in fee simple of that certain real property in the County of Placer, State of California, designated as all or a portion of Assessor's Parcel Nos _____, more particularly described in **Exhibit A** and incorporated herein by this reference (the "**Property**").

B. The Property consists of land in the vicinity of Grantor's aggregate mining operations in Placer County (the "**Mining Operations**") on its Teichert Aggregate Facility ("**Project**"), governed by permit _____ (collectively, the "**Permits**").

C. Grantor represents that the Property will consist of _____ acres of [Varies with Section of Development Agreement - 3.3.1.3.2 = 107 acres of Wildlife Habitat - 3.3.1.3.4 = 345 acres of Open Space (Lakes)]

D. Grantor has entered into a Development Agreement with Grantee which pursuant to Section [Varies with Section of Development Agreement - 3.3.1.3.2 = 107 acres of Wildlife Habitat - 3.3.1.3.4 = 345 acres of Open Space (Lakes)] of such agreement requires the placement of an Open Space and Habitat Conservation Easements on _____ acres as part of reclamation of mining areas.

E. Grantor desires to grant the Open Space and Habitat Conservation Easement being conveyed by this Conservation Easement Grant (the "**Conservation Easement**") to Grantee in satisfaction of Development Agreement Section [3.3.1.3.2 – 3.3.1.3.4] _____ and Permit Conditions [**Will be inserted once conditions are finalized**] _____. Grantee and Grantor recognize that this Conservation Easement Grant is subject to certain activities and reservations of rights by Grantor which both Grantor and Grantee recognize are not completely compatible with the purposes of this Conservation Easement Grant. Nevertheless, the benefits of this Conservation Easement Grant greatly exceed any detriment caused by these activities and reservations of rights.

F. By accepting this Conservation Easement Grant, Grantee agrees that Development Agreement Section [3.3.1.3.2 - 3.3.1.3.4] _____ and Permit Conditions [**Will be inserted once conditions are finalized**] _____ will have been met with respect to Grantor's mining activities under the Permits when all of the Easement Property requiring reclamation has been fully reclaimed under applicable law ("**Reclamation**").

NOW, THEREFORE, in consideration of the foregoing and the covenants, terms, conditions and restrictions contained herein, and pursuant to the laws of California and Civil Code Sections 815, et seq., Grantor hereby voluntarily grants and conveys to Grantee a Conservation Easement in perpetuity over the Easement Property of the nature and character and to the extent hereinafter set forth.

1. Purpose. It is the purpose of this Conservation Easement Grant to assure that the Easement Property will be retained forever in agricultural and open space uses which are consistent with and/or allowed **[3.3.1.3.2 - for wildlife habitat around lakes - 3.3.1.3.4 - for open space as lakes]**

2. Rights of Grantee. To accomplish the purpose of this Conservation Easement Grant, the following rights are conveyed to Grantee by this Conservation Easement Grant:

2.1 Protection of Open Space Habitat Conservation Values. To preserve and protect the wildlife habitat and open space values of the Property.

2.2 Entrance Upon Property. Grantee is limited to access to Property for review of compliance of Conservation Easement terms upon 72 hour notice to Grantor and as provide below in Section 6.

2.3 Prevention of Inconsistent Activities. Except for such activities and rights reserved by Grantor and to the extent permitted by applicable law, to prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement, and to take such actions necessary, appropriate and responsible to accomplish the restoration of those areas or features of the Property that may have been damaged by any act, failure to act or any use that is inconsistent with the purposes of this Conservation Easement.

3. Prohibited Uses. To the extent permitted by applicable law, any activity on or use of the Property inconsistent with the purposes, terms, conditions, or restrictions of this Conservation Easement is prohibited, except as provided for in this Easement.

4. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors and assigns, all rights accruing from its ownership of the Easement Property, including the right to engage in or permit or invite others to engage in all uses of the Easement Property that are not prohibited herein and are not inconsistent with the purposes of the Conservation Easement. Without limiting the generality of the foregoing, Grantor reserves the following rights:

4.1. Personal Rights of Grantor.

4.1.1. Water Rights. Grantor reserves the water rights associated with the Property and the right to use and maintain existing dams and conveyance systems and the right to construct and maintain water conveyance facilities on the Property. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the purposes consistent with this Conservation Easement.

4.1.2. Private Tours. Grantor reserves the right to conduct or hold private tours of the Property, consistent with the goals of this Conservation Easement.

4.1.3. Mineral Rights. Grantor reserves all mineral, oil and gas rights.

4.1.4. Transferability of Personal Rights. Grantor may transfer its Personal Rights under this Section to any Teichert subsidiary or affiliate at any time without the permission of the County. No other transfer of these Personal Rights is permitted, except to County.

4.1.5. Compliance with Project Approvals. Grantor reserves the rights to the extent necessary in order to comply with the conditions of approval for Conditional Use Permit No. 2781 and Variance No. 3806, the Development Agreement and the Mitigation Monitoring Plan approved by the County.

4.2. Easement Appurtenant Rights Held By Grantor.

4.2.1. Access Rights. Grantor reserves an easement appurtenant to adjacent property over the existing and any new bridges over any existing or new roads on the Property for ingress or egress to Grantor's adjacent property.

4.2.2. Water. Grantor reserves the water rights associated with the Property and the right, but not the obligation, to use existing dams and conveyance systems and to construct and maintain water conveyance facilities on the Property to provide water to appurtenant property that has rights to such water. Such facilities shall be constructed and shall be maintained in accordance with customary practices consistent with County Standards. Grantor reserves access rights to such facilities.

Grantor may assign the right to use the water. Grantor's and any assignee's right to use the water and conveyance system shall not interfere with the purposes consistent with this Conservation Easement.

4.2.3. Transferability of Easement Appurtenant Rights.

Grantor may transfer any of its Easement Appurtenant Rights held under this Section to a successor in interest of the dominant tenement only with the express written consent of the County, which consent shall not be withheld so long as the Transfer does not detrimentally impact the purpose of this Conservation Easement.

5. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Conservation Easement Grant or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation. If Grantor fails to cure the violation within 30 days after receipt of said written notice and demand from Grantee, or said cure reasonably requires more than 30 days to complete and Grantor fails to begin the cure within the 30-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Conservation Easement Grant, to recover any damages to which Grantee may be entitled for violation by Grantor of the terms of this Conservation Easement Grant, or for other equitable relief, including, but not limited to, the restoration of the Easement Property to the condition in which it existed prior to any such violation or injury. Without limiting Grantor's liability therefor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Easement Property. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including, but not limited to, the remedies set forth in Civil Code Sections 815, et seq., inclusive.

5.1. Relief. If Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Easement Property, Grantee may pursue its remedies under this Section 5 without prior notice to Grantor without waiting for the period provided for cure to expire.

5.2. Attorneys' Fees. In the event any action or proceeding is brought to enforce any provision of this Conservation Easement Grant, the prevailing party in such action or proceeding shall be entitled to reasonable attorneys' fees and reimbursement of all other costs and expenses.

5.3. Grantee's Discretion. Enforcement of the terms of this Conservation Easement Grant shall be at the discretion of Grantee and any forbearance by Grantee to exercise its rights under this Conservation Easement Grant in the event of a breach of any term of this Conservation Easement Grant by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Conservation Easement Grant

or of any of Grantee's rights under this Conservation Easement Grant. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver. Notwithstanding any other provision of this Conservation Easement Grant, Grantee shall not be obligated to remediate any violation of this Conservation Easement Grant.

5.4. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement Grant shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Easement Property resulting from causes beyond Grantor's reasonable control, including, without limitation, trespass, fire, drought, flood, pestilence, storm and earth movement or other natural causes, or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Easement Property resulting from such causes.

6. Access.

6.1. Generally. This Conservation Easement Grant does not convey any right of access to Grantee except for the purposes of monitoring compliance as described in Section 2 above. This Conservation Easement Grant does not convey general right of access to the public and Grantor shall have the right to prohibit public access to the Easement Property.

6.2. Other Arrangements. Nothing in this Conservation Easement Grant shall limit Grantor's and Grantee's rights to agree to access in addition to that provided for in Section 2.1, under mutually satisfactory written terms. Grantee shall not be allowed to maintain any locks on gates entering the Easement Property. Grantee shall be allowed access through any locks on gates purchased and maintained by Grantor. Grantor's consent to access by Grantee shall not be unreasonably withheld.

7. Costs and Liabilities. Unless otherwise provided in this Conservation Easement Grant, Grantor retains all responsibilities and shall bear all costs and liabilities of any kind, including transfer costs, and costs related to the ownership and operation of the Easement Property.

8. Condemnation. The uses of the Easement Property allowed hereunder are presumed to be the best and most necessary uses as defined in Code of Civil Procedure Section 1240.680, notwithstanding Code of Civil Procedure Sections 1240.690 and 1240.700.

9. Assignment by Grantee. The Conservation Easement is transferable, but Grantee may assign its rights and obligations under this Conservation Easement Grant only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements under Civil Code Sections 815, et seq. (or any successor provision then applicable). As a condition of such transfer, Grantee shall require that the conservation purposes that this Conservation Easement Grant is intended to advance continue to be carried out. Except as set forth below in this Section 9, after such transfer Grantee shall no longer have any liability or

responsibility under this Conservation Easement Grant. After such transfer, should the transferee no longer exist or should the County determine that the transferee is not satisfactorily fulfilling its required duties, then the Conservation Easement shall revert to Grantee.

10. Subsequent Transfers by Grantor. Grantor agrees to incorporate, by reference, the terms of this Conservation Easement Grant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Easement Property, including, without limitation, a leasehold interest. Grantor shall not convey the Easement Property without the written consent of Grantee, except that the Easement Property may be conveyed without Grantee's consent, but upon written notice to Grantee, when the conveyance is: (a) a transfer to a Grantor affiliate; (b) part of a sale, merger, annexation, consolidation or other acquisition of Grantor by another entity; or (c) to secure a debt under the provision of any mortgage, deed of trust, indenture, bank credit agreement or similar instrument, provided that Grantee shall not be required to subordinate this Conservation Easement Grant to any such security instrument. Grantee's consent to a conveyance shall not be unreasonably withheld.

11. Estoppel Certificates. Upon written request by Grantor, Grantee shall, within 15 days after receipt of such request, execute and deliver to Grantor any document, including estoppel certificates, which certifies Grantor's compliance or noncompliance with any obligation of Grantor contained in this Conservation Easement Grant and otherwise evidences the status of this Conservation Easement Grant as may be requested by Grantor.

12. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other shall be in writing and shall be either served personally or sent by first-class mail, postage prepaid, addressed as follows:

Grantor:

Teichert Land Co.
3500 American River Drive
P.O. Box 13308
Sacramento, CA 95813
Attn: President

Grantee:

County of Placer
175 Fulweiler Avenue
Auburn, CA 95603-4581
Attn: County Executive Officer

or to such other address as either party from time to time shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or, in the case of delivery by first-class mail, five days after deposit into the United States mail.

13. Recordation. Grantee shall promptly record this instrument in the official records of Placer County, California, and immediately notify Grantor through the mailing of a conformed copy of the recorded easement. Grantee may rerecord it at any time as may be required to preserve its rights in this Conservation Easement Grant.

14. Extinguishment. Grantor hereby waives its right to request extinguishment of this Conservation Easement Grant. If permitted by applicable law, this Conservation Easement Grant may only be extinguished by Grantee, if 1) there is a mutual written agreement between Grantor and Grantee, and 2) the Grantee holds a public hearing and finds that an alternative perpetual agricultural/open space conservation easement has been granted in the name of Grantee at an alternative location, which provides conservation values that satisfy the specific purposes of this Conservation Easement Grant, as stated in the Recitals. In the event that Grantee has assigned its rights to another entity pursuant to Section 9 of this Agreement, extinguishment of this Conservation Easement Grant shall only be permitted, if 1) there is a mutual written agreement between Grantor and Grantee's Transferee, and 2) the Grantee holds a public hearing and finds that an alternative perpetual agricultural/open space conservation easement has been granted in the name of Grantee's Transferee at an alternative location, which provides conservation values that satisfy the specific purposes of this Conservation Easement Grant, as stated in the Recitals.

15. Amendment. This Conservation Easement Grant may be amended by the parties by mutual written agreement. Any such amendment shall be consistent with the purposes of this Conservation Easement Grant and, except as provided in Section 14, shall not affect its perpetual duration. Any such amendment shall be recorded in the Official Records of Placer County, State of California.

16. Indemnification.

16.1. Indemnification by Grantee. Except for a failure by Grantee to enforce the terms of this Conservation Easement Grant against Grantor, Grantee shall indemnify, defend and save Grantor, its affiliates and their officers, employees and agents harmless from and against any and all claims, demands, actions, damages, liability and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, personal injury and/or damage to property arising from or connected with the activities conducted by Grantee, its elected representatives, officers, contractors, employees, agents, volunteers or invitees on the Property pursuant to this Conservation Easement Grant, or from any breach or default on the part of Grantee in the performance of any covenant or agreement on the part of Grantee to be performed pursuant to this Conservation Easement Grant.

16.2. Indemnification by Grantor. Grantor shall indemnify, defend and save Grantee, its elected representatives, officers, contractors, employees, agents,

volunteers or invitees harmless from and against any and all claims, demands, actions, damages, liability and expenses (including reasonable attorneys' fees and costs of investigation with respect to any claim, demand or action) in connection with loss of life, personal injury and/or damage to property arising from or connected with the activities conducted by Grantor, its officers, invitees, volunteers, contractors, employees or agents on the Property pursuant to this Conservation Easement Grant, or from any breach or default on the part of Grantor in the performance of any covenant or agreement on the part of Grantor to be performed pursuant to this Conservation Easement Grant.

17. General Provisions.

17.1. Controlling Law. The interpretation and performance of this Conservation Easement Grant shall be governed by the laws of the State of California.

17.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Conservation Easement Grant shall be liberally construed in favor of the grant to effect the purpose of this Conservation Easement Grant and the policy and purpose of Civil Code Sections 815, et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

17.3. Severability. If any provision of this Conservation Easement Grant or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Conservation Easement Grant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

17.4. Entire Agreement. This instrument, including attached exhibits, sets forth the entire agreement of the parties with respect to this Conservation Easement Grant and supersedes all prior discussions, negotiations, understandings or agreements relating to this Conservation Easement Grant. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 15.

17.5. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

17.6. Successors. The covenants, terms, conditions and restrictions of this Conservation Easement Grant shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Easement Property. A party's rights and obligations under this Conservation Easement Grant terminate upon transfer of the party's interest in the Conservation Easement or the Easement Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

17.7. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

17.8. Counterparts. Grantor and Grantee may execute this instrument in two or more counterparts which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling. The signature pages of multiple identical counterparts may be combined for purposes of recording.

17.9. Third-Party Beneficiaries. There are no third-party beneficiaries of this Conservation Easement Grant, except as may be required by applicable law.

17.10. No Partnership. By executing this Conservation Easement Grant, the parties do not intend to form a joint venture or partnership, and no partnership or joint venture shall be deemed to have been formed.

18. Exhibit List.

[list exhibits here]

IN WITNESS WHEREOF, the parties have executed this Conservation Easement Grant as of the ____ day of _____, 200__, at _____, California.

GRANTOR: _____

By _____

Its _____

By _____

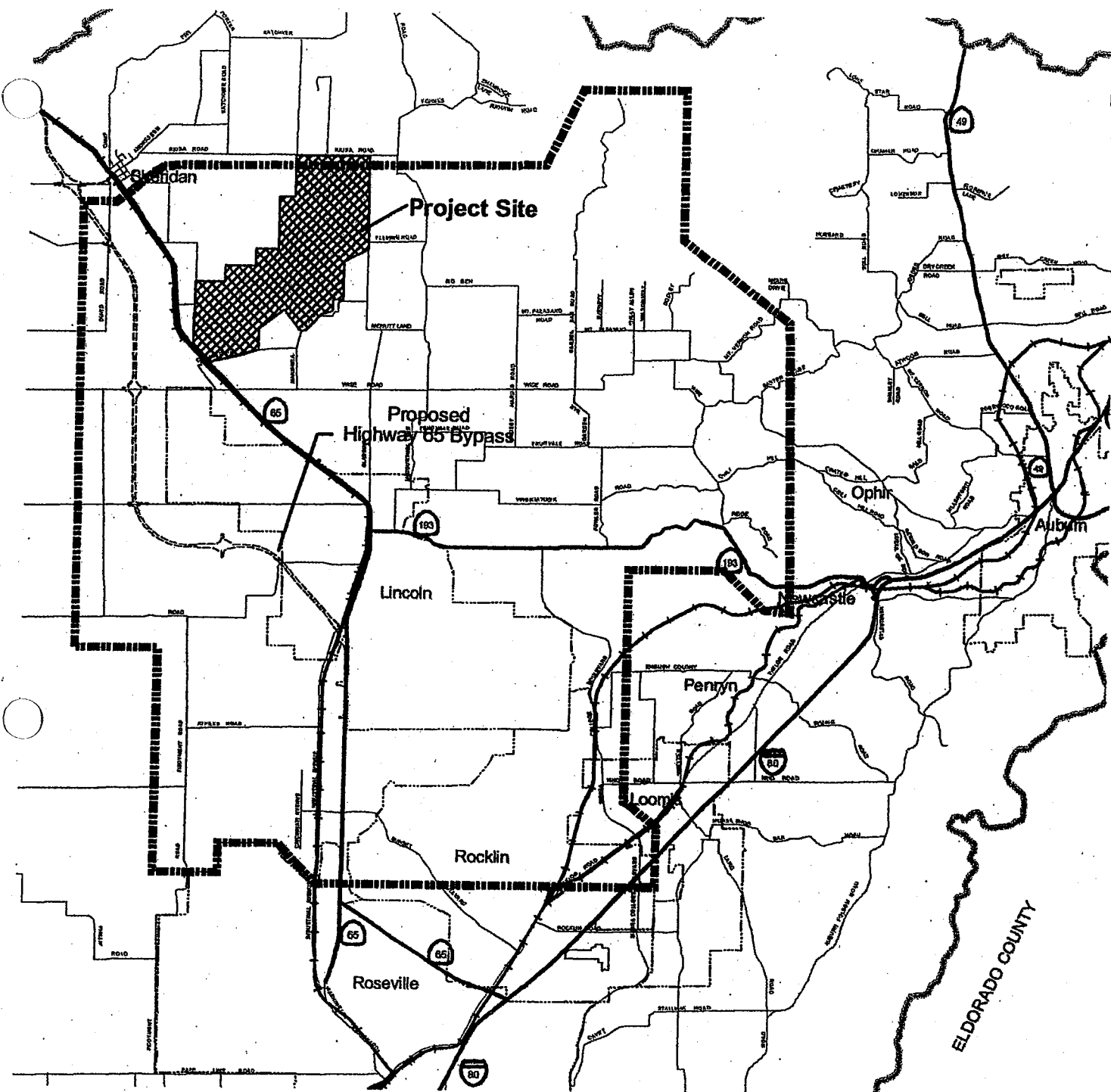
Its _____

GRANTEE:

By _____
Chairman,
Board of Supervisors

Attest:
Clerk of the Board

By _____
Deputy



TRANSPORTATION IMPROVEMENT AND MAINTENANCE AREAS MAP

EXHIBIT I

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